Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

March 6, 2008

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, March 13, 2008** Commission meeting. Minutes of the January 2008 meeting will be e-mailed for your review prior to the meeting.

The meeting will be held in the Vern Riffe Center, 31st floor, South B&C, beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you.

Sincerely,

Jolene M. Molitoris
Chairwoman

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA
Thursday, March 13, 2008
Vern Riffe Center for Government & the Arts
77 South High Street, 31st floor, Columbus, Ohio

CALL TO ORDER – Jolene M. Molitoris, Chairwoman

- Welcome
- Roll Call
- Approval of Minutes from January Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

OFFICE OF GOVERNOR STRICKLAND: Presentation of the Building Ohio Jobs stimulus package

PROJECTS FOR APPROVAL

- Resolution 08-03: Wheeling & Lake Erie Railway/Carrollton Branch Rehabilitation – Beverly Lee

2008 REHABILITATION PROGRAM

- Akron Metro Regional Transit Authority/Canton Line Bridges (Resolution 08-01)
- Camp Chase Railroad Company/Phase II Track Rehabilitation (Approved Project Briefing)
- Cleveland Commercial Railroad/Continuing Track Improvements (Approved Project Briefing)
- RJ Corman/Cleveland Line Rehabilitation (Approved Project Briefing)
- Indiana Northeastern Railroad/Crossing Upgrades (Approved Project Briefing)
- Maumee & Western/Defiance Yard & Track Rehabilitation (Approved Project Briefing)
- Ohi-Rail/Grade Crossing Vegetation Control (Approved Project Briefing)
- West Central Ohio Port Authority/Sugar Creek Bridge #2 at MP 222.22 (Resolution 08-04)
- Youngstown & Southeastern Railroad/Rebuilding 4 Crossings (Approved Project Briefing)

PANHANDLE LONG TERM LEASE COMMITTEE REPORT:
Commissioner Tom McOwen, Committee Chairman

NEW BUSINESS

PUBLIC COMMENT

ADJOURN

MEMORANDUM
March 5, 2008

TO: ORDC Commissioners

FROM: Megan McClory

SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from January 17 to March 5, 2008:

1. **Financial Statements.** Staff has prepared statements to reflect current outstanding loans, revenue collection, and project balances.

2. **Budget cuts.** The Office of Budget and Management (OBM) asked agencies in January to prepare plans for various budget reduction scenarios for the remainder of the 2008-2009 biennium. Staff responded by identifying options to reduce our GRF funds by cutting operating and project budgets and reviewing prior-year encumbrances. We estimated that we would need to reduce our grant program budget by up to $535,000 to $983,000 (depending on the budget reduction scenario) in order to produce the full amount requested. We shared our findings with Director Beasley at a meeting with staff of all of ODOT's GRF-supported programs and he offered, to the extent possible, to make GRF reductions to programs that were eligible for federal funds. As a result, the ORDC's grant program budget is held harmless.

   The finalized budget reductions impact ORDC as follows:
   - We reduced or eliminated the balances on seven (7) projects in cases where the project was complete or where the project is not proceeding and the agreement has expired.
   - We agreed to eliminate all travel except for mission critical training or to maximize opportunities to obtain funding.
   - We reduced our personal service contract budget in FY 2008 and plan to eliminate one of our news service subscriptions in FY 2009.
   - We pledged to review our loan application fees and lease rates to ensure that they are consistent with market rates.
   - We agreed to forgo our unspent first and second quarter personnel balances.

   In addition to these specific actions, we are complying with OBM's directives regarding hiring, equipment purchases, and travel.

3. **Travel reimbursement.** The state has modified the travel rule. The most significant changes increase the mileage reimbursement rate and change the structure and limits on meal reimbursement. Commissioners should contact Gloria Howard with any questions.

4. **Heartland Corridor invoices.** We are now processing the sixth invoice from Norfolk Southern for the Heartland Corridor. Once that invoice is paid, we will have distributed $471,113.05 (56%) of the $836,355 approved for the project.

5. **Enterprise bond fund language.** One of the financing options identified in the presentation at the last meeting was to modify our statute so that, with the Commission's support, rail projects can receive assistance through the Department of Development's Enterprise Bond Fund. We have submitted the statutory change to OBM in hopes that it will be included in an upcoming reappropriations/corrective bill.

OHIO RAIL DEVELOPMENT COMMISSION: February 2008 Finance Report

GRF APPROPRIATION AVAILABLE FOR PROJECTS AND PERSONAL SERVICE CONTRACTS

GRF APPROPRIATION FOR PROJECTS		**2,787,243**
LESS: PROJECTS ENCUMBERED or DISBURSED		
TMACOG - Freight Conference	**5,000**	
WLE Carrolton Branch Tunnel Clearance	**150,000**	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
Trotwood - Auto Logistics Project	**200,000**	
Case Farms Lead Track Rehab	**200,000**	
TOTAL	*555,000*	*-555,000*
LESS: PROPOSED GRF COMMITMENTS FOR FY 2008		
Carrollton Branch Rehabilitation	**250,000**	
Akron Metro RTA (Canton Line bridges)	**200,000**	
Camp Chase Phase II Rehab	**150,000**	
Cleveland Commercial Railroad/Track Improvements	**100,000**	
RJ Corman Cleveland Line Rehab	**112,500**	
Indiana Northeastern Crossing Upgrades	**75,000**	
Maumee & Western Defiance Yard & MP 42 to MP 43	**150,000**	
Ohi-Rail Grade Crossing Vegetation & Sight Distance Imp	**75,000**	
Westco Sugar Creek Bridge #2	**250,000**	
Youngstown & Southeastern RR/3 Crossings	**67,000**	
TOTAL	*1,429,500*	*-1,429,500*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***802,743***
GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		**49,796**
Highway-Railroad Safety Consulting, LLC	15,000	
Capital Partnerships, LLC	1,545	
Capital Partnerships, LLC	7,725	
Capital Partnerships, LLC	4,635	
FY 2008 Budget Reduction	4,635	
TOTAL	*33,540*	*-33,540*
BALANCE OF GRF APPROPRIATION - PERSONAL SERVICE CONTRACTS		***16,256***

OHIO RAIL DEVELOPMENT COMMISSION: February 2008 Finance Report

(page 2)

RAIL FUND 4N40 - REVOLVING LOAN FUND			
Cash Balance as of 2/29/08			**5,393,788**
LESS: OPEN ENCUMBRANCES	2,053,000		
LESS: PANHANDLE RESERVE FUND	762,500		
TOTAL	*2,815,500*		*-2,815,500*
FISCAL YEAR 2008 APPROPRIATION		**2,111,500**	
LESS: PROJECTS ENCUMBERED or DISBURSED			
GOE Lima, LLC	**1,000,000**		
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	174,424		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
MGQ Unit Train Siding	**300,000**		
LESS: PROPOSED COMMITMENTS FOR FY 2008			
WESTCO Sugar Creek Bridge #2	**400,000**		
TOTAL	*1,874,424*	*-1,874,424*	*-874,424*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***237,076***	
CASH BALANCE OF FUND 4N40 AVAILABLE*			***1,703,864***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

TOTAL ORDC FUNDS AVAILABLE FOR PROJECTS - FY 2008 **1,089,615**

ORDC - Loan Payback (Active Loans)
March 3, 2008

	Loans	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Application, Loan, Interest & Admin. Fees	Total Payments
FY03 Cloverleaf Cold Storage **	$328,000	$33,662								*$14,900*	*$342,90(*
FY03 Portage Cty Solid Wst Mgmt. *	$80,000	$16,495	$16,495	$16,495	$9,622					*$3,279*	*$83,27(*
FY04 Ann Arbor Railroad *	$768,736	$162,274	$81,137							*$42,295*	*$811,031*
FY04 Columbiana County Port Authority *	$2,098,047	$418,172	$426,736	$430,072	$433,408	$172,919				*$66,273*	*$2,164,32(*
FY04 W&LE (Valley Line)*	$400,000	$10,680	$408,900							*$57,277*	*$457,277*
FY04 Maumee & Western *	$199,088	$29,392	$29,502	$29,502	$29,502	$17,209				*$8,460*	*$207,548*
FY05 Seneca-Sandusky-Tiffin Port Auth*	$290,000	$61,217	$61,217	$61,217	$10,203					*$16,267*	*$306,267*
FY05 Ashland RW (Mansfield Yard Rehab)*	$500,000	$106,935	$106,935	$106,935	$8,911					*$41,285*	*$541,285*
FY05 I&O (Fulton County Processing, Ltd)*	$242,335	$52,681	$52,681	$52,681	$8,780					*$24,266*	*$266,601*
FY06 Portage County Rail Line (Smurfit Stone)*	$20,000	$4,348	$4,348	$4,348	$2,174					*$2,489*	*$22,489*
FY07 Marion Industrial Center *	$273,000	$13,650	$63,066	$67,300	$67,300	$67,300	$22,433			*$31,548*	*$304,548*
FY07 WESTCO *	$308,000	$22,000	$44,000	$47,013	$50,026	$50,026	$50,026	$50,026	$25,013	*$35,760*	*$343,760*
FY07 Greater Ohio Ethanol *	$1,000,000	$71,429	$154,660	$166,463	$166,463	$166,463	$166,463	$166,463	$83,232	*$152,135*	*$1,152,135*
FY06 Harrison Ethanol ***	$500,000										
FY06 Wheeling & Lake Erie ***	$150,000										
FY07 Village of Leipsic ***	$825,000										
FY07 Warrenton River Terminal ***	$200,000										
FY07 Wheeling & Lake Erie ***	$378,000										
	$8,560,206	**$1,002,934**	**$1,449,676**	**$982,024**	**$786,388**	**$473,917**	**$238,922**	**$216,489**	**$108,245**	***$496,234***	***$7,003,440***

Loan Amount Received to Date: **$677,388**
Loan Balance Due: **$325,547**

*Loans Active
**Loans Paid Off
***Loans in Process

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month ending February 29, 2008

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	1,391,122.00	1,000.00	0.00	1,392,122.00	347,463.00	5,000.00	1,039,659.00	74.68%	GRANT (Community/Railroad) - SUBSIDY
GRF	4FA7	STATE	1,391,121.00	0.00	0.00	1,391,121.00	0.00	0.00	1,391,121.00	100.00%	GRANT (Private Industry) - CAPITAL
GRF	4651	STATE	680,257.00	31,420.00	14,496.86	711,677.00	11,216.20	440,057.99	245,905.95	34.55%	PAYROLL / PERSONAL SERVICE
GRF	4652	STATE	235,000.00	(32,420.00)	25,010.00	202,580.00	30,715.30	95,822.88	51,031.82	25.19%	OFFICE EXPENSE
GRF	4653	STATE	2,500.00	0.00	25.86	2,500.00	0.00	599.14	1,875.00	75.00%	OFFICE EQUIPMENT
	FUND TOTAL		**3,700,000.00**	**0.00**	**39,532.72**	**3,700,000.00**	**389,394.50**	**541,480.01**	**2,729,592.77**	**73.77%**	**FUND TOTAL - GRF**
7002	4FN7	FEDERAL	1,481,742.00	7,963,877.00	0.00	9,445,619.00	474,822.70	617,319.99	8,353,476.31	88.44%	GRADE CROSSING PAVEMENT
7002	4FP1	FEDERAL	518,258.00	16,000.00	0.00	534,258.00	0.00	374,447.61	159,810.39	29.91%	GRADE CROSSING SAFETY'S PAYROLL
7002	4FP7	FEDERAL	13,000,000.00	(2,320,711.59)	109,148.22	10,679,288.41	6,073,954.64	618,289.20	3,877,896.35	36.31%	GRADE CROSSING DEVICES
	FUND TOTAL		**15,000,000.00**	**5,659,165.41**	**109,148.22**	**20,659,165.41**	**6,548,777.34**	**1,610,056.80**	**12,391,183.05**	**59.98%**	**FUND TOTAL - 002**
3B90	8FB5	FEDERAL	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	FEDERAL RAIL - SUBSIDY
	FUND TOTAL		**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**100.00%**	**FUND TOTAL - 3B9**
4N40	6FC9	OTHER	1,937,076.00	0.00	0.00	1,937,076.00		1,000,000.00	937,076.00	48.38%	RAIL TRAN - LOANS
4N40	6FD9	STATE	762,500.00	0.00	0.00	762,500.00	0.00	0.00	762,500.00	100.00%	PANHANDLE LEASE PAYMENT
4N40	6111	STATE	174,424.00	0.00	50.57	174,424.00	0.00	115,478.35	58,895.08	33.77%	PAYROLL(PROPERTY MGNT)
	FUND TOTAL		**2,874,000.00**	**0.00**	**50.57**	**2,874,000.00**	**0.00**	**1,115,478.35**	**1,758,471.08**	**61.19%**	**TOTAL - OTHER ASSISTANCE**
	GRAND TOTAL		**21,584,000.00**	**5,659,165.41**	**148,731.51**	**27,243,165.41**	**6,938,171.84**	**3,267,015.16**	**16,889,246.90**	**61.99%**	

PROJECT BRIEFING
WHEELING & LAKE ERIE RAILWAY/CARROLLTON BRANCH REHABILITATION
February 27, 2008

Rail Project Funding		Project Benefits
* ORDC Grant	$250,000	* Rail service retained for six shippers
* ORDC Safety Funds Up to	$300,000	* 360 jobs retained and 50+ jobs created
* W&LE Emergency Track & Tunnel Repairs	$250,000	* Shippers maintain existing carloadings for three years
* Carroll Co. & ODOD	$490,000	*Two crossing closures and one upgraded

INTRODUCTION:
The Wheeling & Lake Erie Railway (W&LE), requests a $250,000 grant toward the rehabilitation of the 26 miles long (MP 1.8 to MP 27.6) Canton to Carrollton rail line. The Village of Carrollton will close two crossings and ORDC's Safety Section has agreed to provide up to $300,000 for the installation of active warning devices (flashers and gates) at the Main & High Street (SR39) grade crossing.

BACKGROUND:
W&LE is the owner and operator of the 26-mile Canton to Carrollton rail line (the Carrollton Branch). The Ohi-Rail Corporation connects to the line at Minerva Junction, Ohio. Total carloads generated on the line in 2007 were 132. Current customers on the line include, Fusion Ceramics at Carrollton (inbound sodium borate), Heritage Plastics at Carrollton (inbound/outbound plastics materials), Nexpak at East Canton (inbound plastics materials), Noramco at Carrollton (inbound plastics materials), Resco Products at East Canton (outbound fire bricks), and Stark Ceramics at East Canton (outbound structural tiles). In the 1990s, the total carloads generated by the shippers were over 3,500 annually. Heritage Plastics, Noramco and Resco Products have projections to expand their employment and increase rail usage. As noted above the existing customers along this line are in Carrollton or East Canton.

The W&LE potential new customers are Augering Technologies, Inc. at Carrollton to ship asphalt augers outbound, Carrollton Farmers Exchange at Carrollton to ship inbound corn and fertilizer, Robertson Building Supply at Malvern to ship inbound aggregates and lumber, and Rosebud Mining at Carrollton to ship coal.

In 1997, ODOT/ORDC provided the W&LE $563,601 (in federal funds) to rehabilitate the rail line and $198,085 to repair the Robertsville Tunnel. The rationales for the ORDC investment then and now was to improve, retain and maintain vital rail service for these area shippers. Attached herein is a location map.

The W&LE has continued to serve the line but its profitability and carloads have been very low. Because of the 1997 ORDC supported track rehabilitation project, W&LE has been able to continue service to the Carrollton area without the need to make major investments in the track structure. It was not clear that the W&LE Carrollton Branch line could continue for the long term without additional public assistance toward track and tunnel repairs.

PROJECT DESCRIPTION:
The rehabilitation project will include, installing 12,010 grade crossties between MP 1.80 and MP 27.60; renew four road crossings' surfaces at Mapleton Street, SE at MP 8.94, Weimer Drive, SE at MP 9.00; SR 171 at MP 23.40 and Gallo Road at MP. 24.30. Surface five miles (26,400 lineal track ft.) between MP 6.30 and MP 23.40. The total estimated costs for all the needed rehabilitation work above is $990,047. All work will be performed by the W&LE forces.

WHY ORDC FUNDING IS NEEDED:
The rehabilitation project is needed because this rail line is a transportation lifeline to most of the current rail dependent shippers and the potential new customer, Rosebud Mining. This rail line is so critical to the future economic development for portions of Carroll and Stark Counties. Two of the companies have said that without rail they would not expand nor stay in Carrollton.

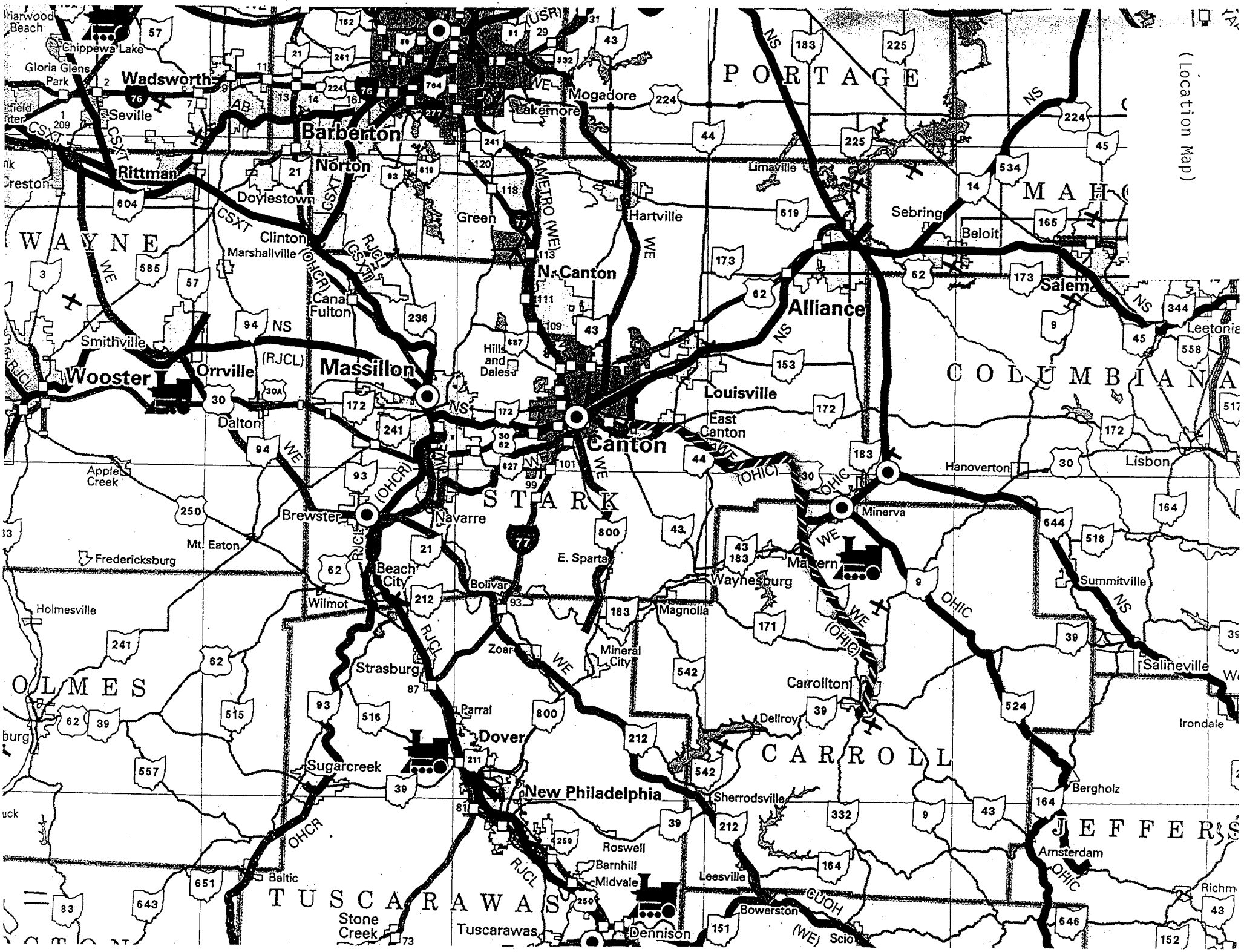
PROJECT BENEFITS:

- Heritage Plastics will proceed with its planned $5 million plant expansion project.
- Noramco and Heritage Plastics will commit to use the Carrollton line at current 2006 levels of carloadings thru 2007, 2008 and 2009 as long as effective rail service is provided.
- The Village of Carrollton will close two crossings to vehicular traffic.
- The six existing shippers throughout the line will retain 360 jobs. The existing shippers and the potential new shippers could create up to 300 new jobs and thousands of new carloads.

OTHER CONTRIBUTIONS:
Carroll County and the Ohio Department of Development will grant $490,000 in CDBG and ARC funds toward the rehabilitation project.

Carroll County will provide 100% property tax forgiveness to the W&LE for a period of 10 years toward the reduction of the W&LE costs to operate the Carrollton Branch.

SPECIAL CONTINGENCIES:
The ORDC grant agreement with the W&LE will hold the W&LE responsible for the 100 jobs retained per year by Noramco and Heritage Plastics within three years of the completion of the project.


(Location Map)
Wadsworth
Barberton
Norton
Rittman
Seville
Doylestown
Clinton
Marshallville
Green
Hartville
Mogadore
Lakemore
Limaville
Sebring
Beloit
Salem
Alliance
N. Canton
Canal Fulton
Smithville
Wooster
Orrville
Massillon
Hills and Dales
Louisville
East Canton
Canton
Dalton
Apple Creek
Brewster
Navarre
Mt. Eaton
Fredericksburg
Beach City
Bolivar
E. Sparta
Wilmot
Holmesville
Strasburg
Zoar
Mineral City
Magnolia
Waynesburg
Minerva
Hanoverton
Lisbon
Leetonia
Summitville
Salineville
Irondale
Carrollton
Dellroy
Sherrodsville
Bergholz
Amsterdam
Leesville
Bowerston
Dover
Sugarcreek
Parral
New Philadelphia
Roswell
Barnhill
Midvale
Dennison
Tuscarawas
Stone Creek
Baltic
Zoarville
Mahern
WAYNE
PORTAGE
STARK
COLUMBIANA
HOLMES
CARROLL
TUSCARAWAS
JEFFERSON
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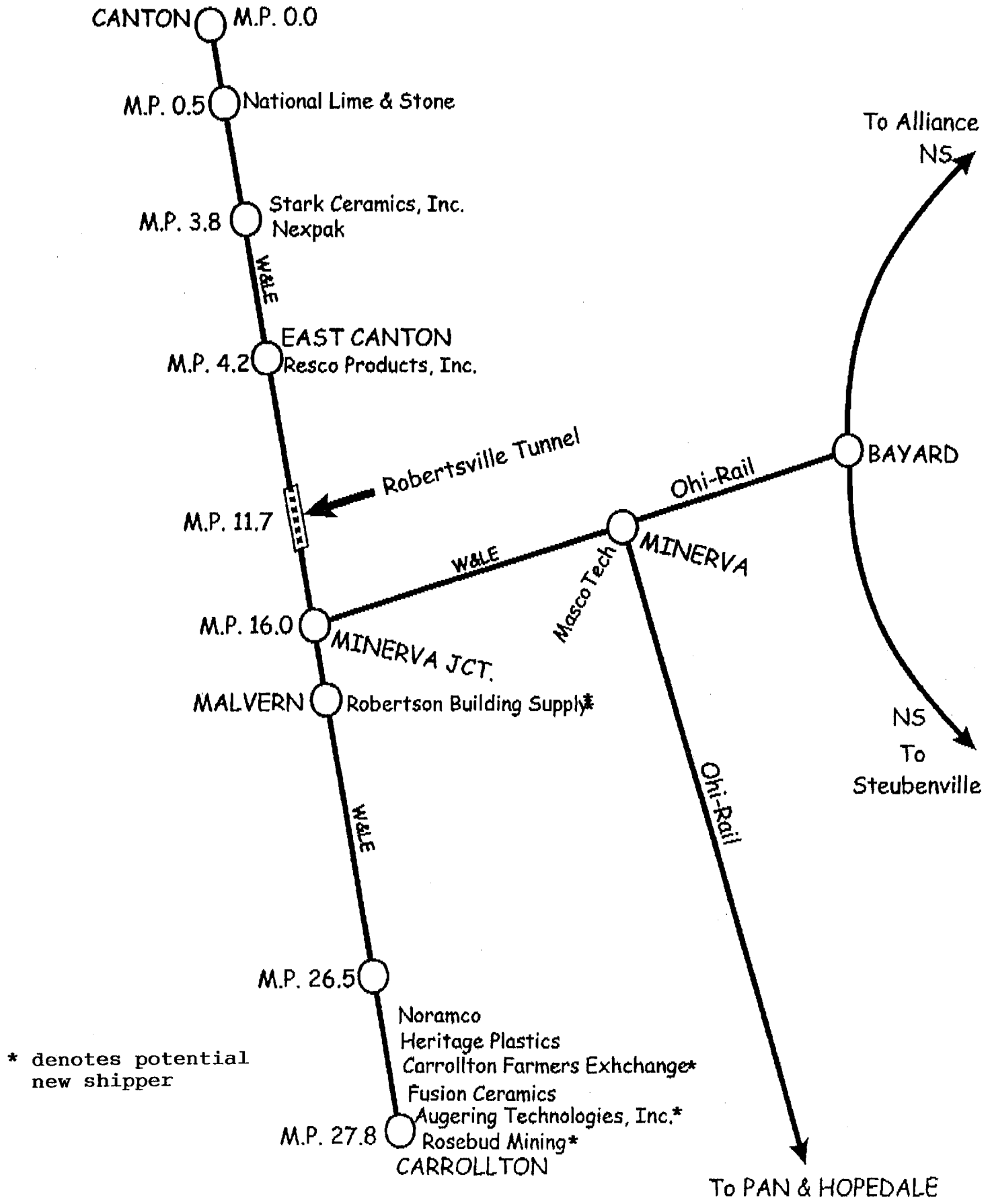
CARROLLTON BRANCH AREA

EXHIBIT "A"



* denotes potential new shipper

RESOLUTION 08-03

RE: WHEELING & LAKE ERIE RAILWAY CARROLLTON BRANCH TRACK REHABILITATION GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO WHEELING & LAKE ERIE RAILWAY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to The Wheeling & Lake Erie Railway (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

Jolene M. Molitoris, Chairwoman	____	yes	____	no	____	absent	____	abstained	____ recused
James G. Beasley, P.E., P.S.	____	yes	____	no	____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ recused
Kimberly Gibson for Lt Gov Fisher	____	yes	____	no	____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ recused
Daniel Roberts	____	yes	____	no	____	absent	____	abstained	____ recused
James Hartung	____	yes	____	no	____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 3/13/2008

CERTIFICATE

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 3/13/2008
Jolene M. Molitoris, Chairwoman Date

EXHIBIT A

A grant in an amount of up to Two Hundred Fifty Thousand Dollars ($250,000) (the "ORDC Grant") for the purpose of the rehabilitation of track for the Company's 26 miles long (MP 1.8 to MP 27.6) Canton to Carrollton rail line including the installing of 12,010 grade crossties between MP 1.80 and MP 27.60; the renewal of four road crossings' surfaces at Mapleton Street, SE at MP 8.94, Weimer Drive, SE at MP 9.00; SR 171 at MP 23.40 and Gallo Road at MP. 24.30, and the surfacing of five miles (26,400 lineal track ft.) between MP 6.30 and MP 23.40 (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Company's location in Stark County, Ohio.

The ORDC Grant is subject to the following condition:

1. The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

2. The Company shall be held accountable by the ORDC for the retention of 100 jobs at Noramco and Heritage Plastics within 3 years of the Rail Service Project's completion.

PROJECT BRIEFING
AKRON METRO OWNED, W&LE OPERATED
CANTON TO N. CANTON LINE, REPAIR/REPLACEMENT OF TWO BRIDGES

February 27, 2008

Project Costs		Project Benefits
* ORDC Grant	$200,000	* Helps Preserve 70 Rail-Dependent Jobs
* Federal Funds	$970,000	* Helps Preserve Freight Service to Indust. Prk.
		* Helps Keep CVSR Tourist Operations Safe

INTRODUCTION:

Akron Metro Regional Transit Authority owns the 24 mile long Canton (MP 16.38) to Akron (MP 40.42) rail line. Akron Metro requests a grant of $200,000 to match previously obtained federal earmark funding of $970,000 to perform needed bridge repair work at two locations. ***Bridge One*** work includes building a new three span bridge at MP. 21.3 to replace the deficient, existing single span bridge as well as a nearby 10 ft. diameter culvert. ***Bridge Two*** work includes the replacement of the cracked steel superstructure of a single span bridge at MP 21.6 with new steel as well as the rebuilding of the south abutment to enable the bridge to be expanded to the south to two spans at a later date if need be to improve hydraulic flows.

BACKGROUND:

Recent Freight History of Akron – Canton Line: The Akron Metro line between Akron and Canton was formerly part of the Baltimore & Ohio system which ran from Cleveland Union Terminal, through the Cuyahoga River Valley to Akron, Canton and on to Mineral City. CSX, the ultimate successor to the B&O, still operates the northernmost portion of this line from downtown Cleveland to Independence. The Cuyahoga Valley Scenic Railroad operates the line from Independence to Akron on track owned by the National Park Service. Akron Metro owns the Akron to Canton segment while the Wheeling & Lake Erie (W&LE) owns the segment from Canton to Mineral City, its so-called Sandyville line. A map of the area rail lines is included herein as Exhibit "A".

North End: Akron Metro bought the Akron to Canton segment of track from CSX in 2000. At that time, CSX had been operating the northern section of the line but since then the Akron, Barberton Cluster Railway (ABC), a W&LE affiliate, has taken over operations and serves five shippers (Republic Waste, Eliokem, Landmark Plastics, Diamond Polymer, and Terminal Warehouse) at the Akron end of the line between a connection of the Akron Metro line and a W&LE/ABC line at MP 38.3 and the last shipper on this segment at MP 33.8.

Middle: In the middle section of the line, between MP 33.8 and MP 26.2 there is no local or overhead freight traffic.

South End/North Canton Branch: Akron Metro leases to the W&LE the southern portion of the line from MP 26.2 at McCann Plastics to MP 16.3 where the Akron Metro line connects to the W&LE Brewster to Canton line. The W&LE refers to this segment of track as its North Canton line. The major customer on this segment of the line is McCann Plastics at MP 26.2. There is one other rail user, ION at MP 16.7. The south end/North Canton Branch serves an active industrial area, with 240 acres of industrial parcels located along this segment of the line between MP 26.2 and MP 21.7. The W&LE lease runs for 99 years until 2102.

This section of track runs through an industrial area with several recently vacated businesses. There are many opportunities for redevelopment.

W&LE handled 264 carloads of freight on this southernmost Canton to North Canton segment of the line in 2006. Carloadings in 2007 were 214.

Recent Tourist Railroad History of Akron – Canton Line: The National Park Service has owned the Independence to Akron line since the 1970's and the Cuyahoga Valley Scenic Railway (CVSR) has operated tourist and excursion services since that time on that segment. The purchase of the Akron to Canton segment of the line enabled the CVSR to expand its operations to Canton. CVSR runs weekend service and special excursion trains between Canton and Akron.

Bridge Repair and Replacement on the South End: Akron Metro works with the National Park Service (NPS) on all track maintenance for its Akron to Canton line. Bridges are inspected by the Federal Highway Administration (FHWA) engineers at the direction of the NPS. FHWA engineers have identified the bridges at MP 21.3 and MP 21.6 as structurally deficient.

PROJECT DESCRIPTION:

The project is: 1) the replacement of the culvert and existing single span rail bridge at MP 21.3 with a three span bridge; and 2) the replacing of the steel superstructure of the bridge at MP 21.6 as well as the construction of new abutments.

Currently at MP 21.3 there is a single span bridge along side a 10 foot diameter pipe culvert. The current rail bridge is deficient. In addition, an additional ancillary problem is that the bridge span and the culvert do not provide enough space to handle projected volumes of water that have, and will, flow through them. FHWA engineers have recommended replacing the existing structures with a three span steel deck girder bridge on "H – Pile" and cap piers and abutments. The new bridge will replace the deficient rail bridge with a new structure, as well as help with the drainage issues in the area.

Currently at MP 21.6 there is an existing single span steel beam bridge with cracks in the steel webbing which would be replace by a single span steel deck girder bridge on H – Pile and cap abutments constructed behind existing stone abutments which will remain in place. The new abutment on the south side of the bridge will provide a base for a potential additional bridge span to the south to further improve hydraulics as needed.

Sketches of the two bridge locations are provided in Exhibit "B". The total cost for both bridge projects is summarized below:

SUMMARY OF TOTAL BRIDGE COSTS

	Bridge 21.3	Bridge 21.6	Total Cost
Construction	**$535,000**	**$289,000**	**$824,000**
Design	**$193,000**	**$96,000**	**$289,000**
Construction Management	**$34,000**	**$23,000**	**$57,000**
Totals	**$762,000**	**$408,000**	**$1,170,000**

WHY ORDC FUNDING IS NEEDED:

The carloadings generated along the line, about 21 to 26 revenue carloads per mile, make for very marginal railroad economics. There is nowhere near an economic return from freight operations sufficient for investment in extraordinary maintenance such as bridge replacement. ORDC funds are needed to match Akron Metro funds or the bridge project will not be completed.

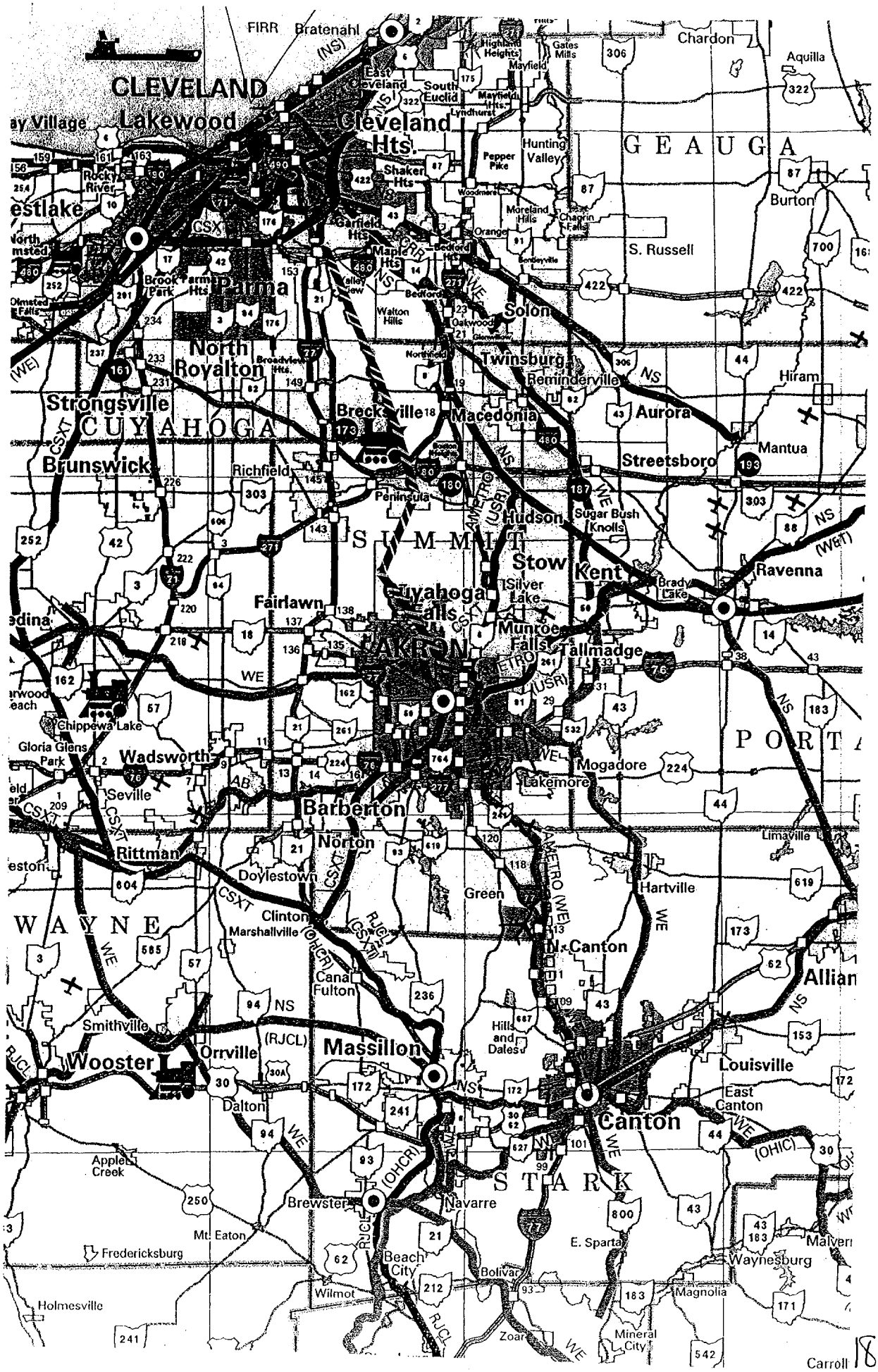
PROJECT BENEFITS:

- Continued freight operations to McCann Plastics helps to preserve 70 rail-dependent jobs.
- Continued freight operations to N. Canton industrial park.
- Safe operation of Cuyahoga Valley Scenic Railway excursion trains.
- ORDC Funds leverage federal funds.
- Long term hydraulic problems on the Akron Metro line resolved.

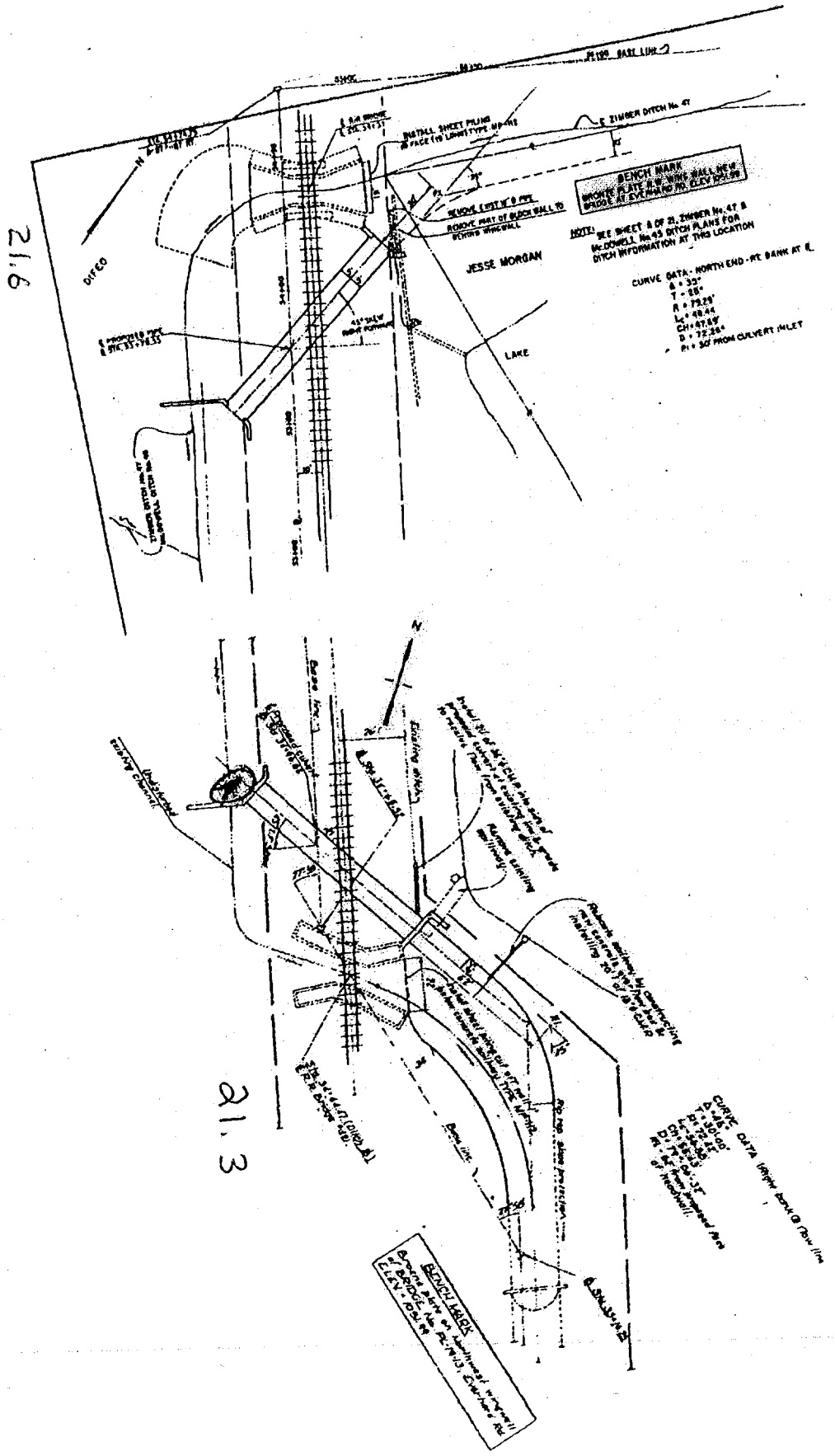
SPECIAL CONTINGENCIES:

In the event that the costs to rebuild the two bridges is less than $1,170,000, Akron Metro will ensure that any and all cost savings permitted by law and federal regulations accrue to ORDC to preserve as much ORDC funds for other projects as is legally allowed.

A


CLEVELAND
Lakewood
Cleveland Hts.
Parma
North Royalton
Strongsville
CUYAHOGA
Brunswick
Brecksville
Macedonia
Twinsburg
Solon
Aurora
Streetsboro
Hudson
Stow
Kent
Ravenna
SUMMIT
Fairlawn
Cuyahoga Falls
AKRON
Tallmadge
Barberton
Wadsworth
Rittman
Norton
Doylestown
Green
Hartville
WAYNE
Clinton
Marshallville
Canal Fulton
N. Canton
Canton
Massillon
Orrville
Wooster
Smithville
Dalton
Louisville
East Canton
STARK
Navarro
Brewster
Beach City
Bolivar
Waynesburg
Mt. Eaton
Fredericksburg
Holmesville
Wilmot
Zoar
Mineral City
Magnolia
Carroll
GEAUGA
Chardon
Burton
S. Russell
Hiram
Mantua
Sugar Bush Knolls
Peninsula
Richfield
Silver Lake
Munroe Falls
Chippewa Lake
Gloria Glens Park
Seville
Mogadore
Lakemore
Limaville
Hills and Dales
Louisville
Malvern
E. Sparta
Aquilla
Ravenna
FIRR
Bratenahl
CSXT
NS
WE
RJCL
(OHCR)
(OHIC)
(USRI)
(METRO)
CVSR/NPS
METRO

18


21.6
21.3
JESSE MORGAN
LAKE
DIFCO
BENCH MARK
NOTE: SEE SHEET 8 OF 21, TIMBER No. 47 & McDONELL No. 45 DITCH PLANS FOR DITCH INFORMATION AT THIS LOCATION
CURVE DATA - NORTH END - RE BANK AT ℄
Δ = 33°
T = 88'
R = 79.29'
L = 48.44'
CH = 47.69'
D = 72.24'
PI = 30' FROM CULVERT INLET
BENCH MARK

RESOLUTION 08-01

RE: AKRON METRO REGIONAL TRANSIT AUTHORTY CANTON LINE BRIDGES REPAIR/REPLACEMENT GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO AKRON METRO REGIONAL TRANSIT AUTHORITY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to Akron Regional Transit Authority (the "Authority"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Authority; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Authority, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Authority with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Authority, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Jolene M. Molitoris, Chairwoman	____	yes	____	no	____	absent	____	abstained	____ recused
James G. Beasley, P.E., P.S.	____	yes	____	no	____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ recused
Kimberly Gibson for Lt Gov Fisher	____	yes	____	no	____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ recused
Daniel Roberts	____	yes	____	no	____	absent	____	abstained	____ recused
James Hartung	____	yes	____	no	____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved_____ Other action _____
Motion denied_____ Date 3/13/2008

CERTIFICATE

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 3/13/2008
Jolene M. Molitoris, Chairwoman Date

EXHIBIT A

A grant in an amount of up to Two Hundred Thousand Dollars ($200,000) (the "ORDC Grant") for the purpose of replacing a bridge and repairing a bridge on the Authority's Canton to Akron rail line as follows: ***Bridge One*** work includes the construction of a three span bridge and culvert at MP. 21.3 to replace the deficient, existing single span bridge as well as a nearby 10 ft. diameter culvert, and ***Bridge Two*** work includes the replacement of the cracked steel superstructure of a single span bridge at MP 21.6 with new steel as well as the re-construction of the south abutment to enable the bridge to be expanded to the south to two spans at a later date if need be to improve hydraulic flows (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Authority's location in the Stark County, Ohio.

The ORDC Grant is subject to the following conditions:

1. The Authority must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

2. In the event that the cost of the Rail Service Project is less than $1,170,000, if legally permissible, the Authority will undertake a good faith effort to repay any such monies to the ORDC.

Approved Project Briefing:
Camp Chase Railroad Company Phase II Rehabilitation Grant

March 4, 2008

Rail Project Funding	
* ORDC Grant	$150,000
* Camp ChaseFunds	$150,000

Project Benefits

* **Improves RR Efficiencies**
* **Reduces Derailments**
* **Preserves Unit Train Service for Elevator**
* **Enhances Service to Development Sites**

INTRODUCTION: The Camp Chase Railroad Company (Camp Chase), requests $150,000 grant to conduct the Phase II track rehabilitation for 10.7 miles (MP 144.7 to MP 155.4) of its 14 mile long railroad (MP 141.4 to MP 155.4).

BACKGROUND

Line Description: The Camp Chase acquired the Conrail Camp Chase Industrial Track in 1994. The Camp Chase includes 14 miles of track from Valleyview/near west side in Columbus (MP 141.4), where the line connects to the Norfolk Southern Columbus to Cincinnati mainline, through Galloway out to Lilly Chapel in Madison County (MP 155.4). Attached herein as Exhibit A is a location map.

At its inception and for many years after, the Camp Chase interchanged directly with Norfolk Southern (and Conrail, the predecessor to NS on the Columbus to Cincinnati line) via an interchange track at the NS – Camp Chase junction. NS physically handled any CSX cars to and from the Camp Chase through an NS intermediate switch move in and out of CSX' Parsons Yard. Recently, Camp Chase was able to improve its interchange with NS by obtaining rights to get into NS' Buckeye Yard for interchange. This also enabled Camp Chase to improve its interchange with CSX. By paying a switch fee, Camp Chase can interchange directly with CSX on a specified track in Buckeye Yard where CSX switching trains go daily. In addition, Camp Chase now interchanges with the Columbus & Ohio River Railroad in Buckeye under similar arrangements.

Most of the Camp Chase customer base is in the Columbus area between MP 141.4 and MP 144.7. Current Columbus area customers within these mileposts include: Sunoco (inbound ethanol), Con Agra Milling (inbound wheat, outbound flour), and Oxy Vinyl (inbound and outbound plastic resins). These rail users generate the overwhelming majority of the Camp Chase traffic, accounting for 3,734 cars in 2007 out of the total 5,037 total cars generated. The shippers on this segment employ 37 people.

The rail users on the rest of the line from MP 144.7 to 154.4 include the Columbus Dispatch (inbound newsprint), Royal Paper (outbound scrap paper), Windspeed Logistics (inbound plastic resins), UAP (inbound fertilizer) and Peavy Grain (outbound grain, inbound fertilizer). These rail users accounted for 1,302 carloads in 2007, most of which were generated by Peavy Grain. Peavy is located at the end of the line at MP 154.4 with the others being located between MP 144.7 and MP 147.8. The rail users on this segment employ 1,266 people, with the Dispatch making the overwhelming majority of the jobs.

The overall profitability of the Camp Chase line has improved significantly since it captured the ethanol traffic in 2006. However the profitability of the MP 144.7 to 154.4 segment of the railroad is still marginal. The entire 10 mile segment generates about 130 to 150 carloads per mile. And the last seven miles of track serves only one customer, Peavy Grain.

The railroad has invested more per mile of track than its total net revenues per mile of track in the last three years.

The Camp Chase is well situated for future economic development. It is proximate to major NS and CSX classification yards, Buckeye and Parsons, and is close to I - 70 and I - 270. The line serves 6 different greenfield development properties totaling 521 acres. It also serves several vacant industrial buildings including the recently closed Delphi plant in Columbus which has over 1 million square feet of space available.

2006 ORDC Track Rehabilitation Project: The new ethanol business at the Sunoco tank farm required significant Camp Chase investment. Camp Chase invested $1.6 million in the new rail spur and containment system needed to handle the ethanol traffic. In addition, the railroad began a long term $2 million project to rebuild its Avenue Yard at MP 144.3 near Sunoco to handle the 2,700 cars of ethanol a year. Work to improve Avenue Yard continues. ORDC had approved a $1 million loan for the work at Avenue Yard but it was in the railroad's best interest to proceed without the ORDC loan.

In 2006, Camp Chase and ORDC did partner to put 3,400 ties in between MP 144.7 and 155.4 with ORDC providing $150,000 and Camp Chase providing $100,000. These ties were primarily "safety ties" at joints and areas where track was particularly poor.

Current Overall Track Rehabilitation Needs: The Camp Chase line was a former New York Central mainline with good 127 lb. rail which was laid in 1951. The major physical problem with the line is that the tie condition has deteriorated. As a result, derailments caused by the ties not holding gage have been an issue. Derailment expenses for the entire line were $150,000 last year.

The line between MP 141.4 and 144.7 is in good Class I condition. The line between MP 144.7 and 155.4 barely meets Class I minimum standards and has many sections in need of ties. Loaded trains are slow ordered to 3 MPH with empties slow ordered to 5 MPH. Train lengths are limited to 25 cars.

New Peavy Grain Business: The new Camp Chase, Columbus & Ohio River Railroad/Ohio Central interchange at Buckeye Yard will reap a major benefit for Peavy Grain. Peavy will supply corn to the new Altra Ethanol Plant (Coshocton Ethanol) located and served by the Ohio Central. However, the Camp Chase track between MP 144.7 and 155.4 needs to be upgraded to effectively handle this new traffic. In addition to new business opportunities, Peavy plans call for continued participation in the NS unit train program. Again, Camp Chase track upgrading is needed to handle the requisite 50 car unit trains and 286,000 lb. cars.

PROJECT DESCRIPTION: An ORDC grant of $150,000, matched dollar per dollar by Camp Chase, would enable the Camp Chase to perform Phase II of its MP 144.7 to MP 155.4 rehabilitation project. It would eliminate the 3 MPH and 5 MPH slow orders. The ORDC grant will be used to selectively upgrade the tie condition of the line on the 10.7 mile segment with the installation of 3,750 ties. The Camp Chase will conduct a competitive bid process to install these ties. Camp Chase plans on using new, 7" X 9" X 8'6" grade ties which will cost about $80 including installation. Camp Chase will be responsible for any costs over and above what ORDC can provide as well as the continued maintenance of the line including any needed lining and tamping after the project is completed. Total cost for the tie upgrade is estimated as follows:

3,750 ties X $80/tie = $300,000

WHY ORDC FUNDING IS NEEDED: The Camp Chase continues to retire a significant amount of debt from its ethanol spur project and continues to invest in its Avenue Yard project. The last 10.7 miles of the railroad continues to be only marginally profitable. ORDC funding is needed to maximize the amount of tie work the Camp Chase can do this year on the least profitable portion of its line.

PROJECT BENEFITS

Once the proposed project is completed, the following benefits will be realized: 1) reduced crew time by 717

hours a year for unit train service; 2) reduced crew time for regular carload service by 1,400 hours per year; 3) reduced derailment expenses; 4) enable continued use of the entire line for 286,000 lb. rail cars; 5) better rail service to companies employing 1,266 people; 6) promote economic development to various sites along the 10.7 mile segment; and 7) promote increased business for Peavy Grain to serve the ethanol market while preserving its unit train business by improving train speeds and track conditions.

OTHER CONTRIBUTIONS

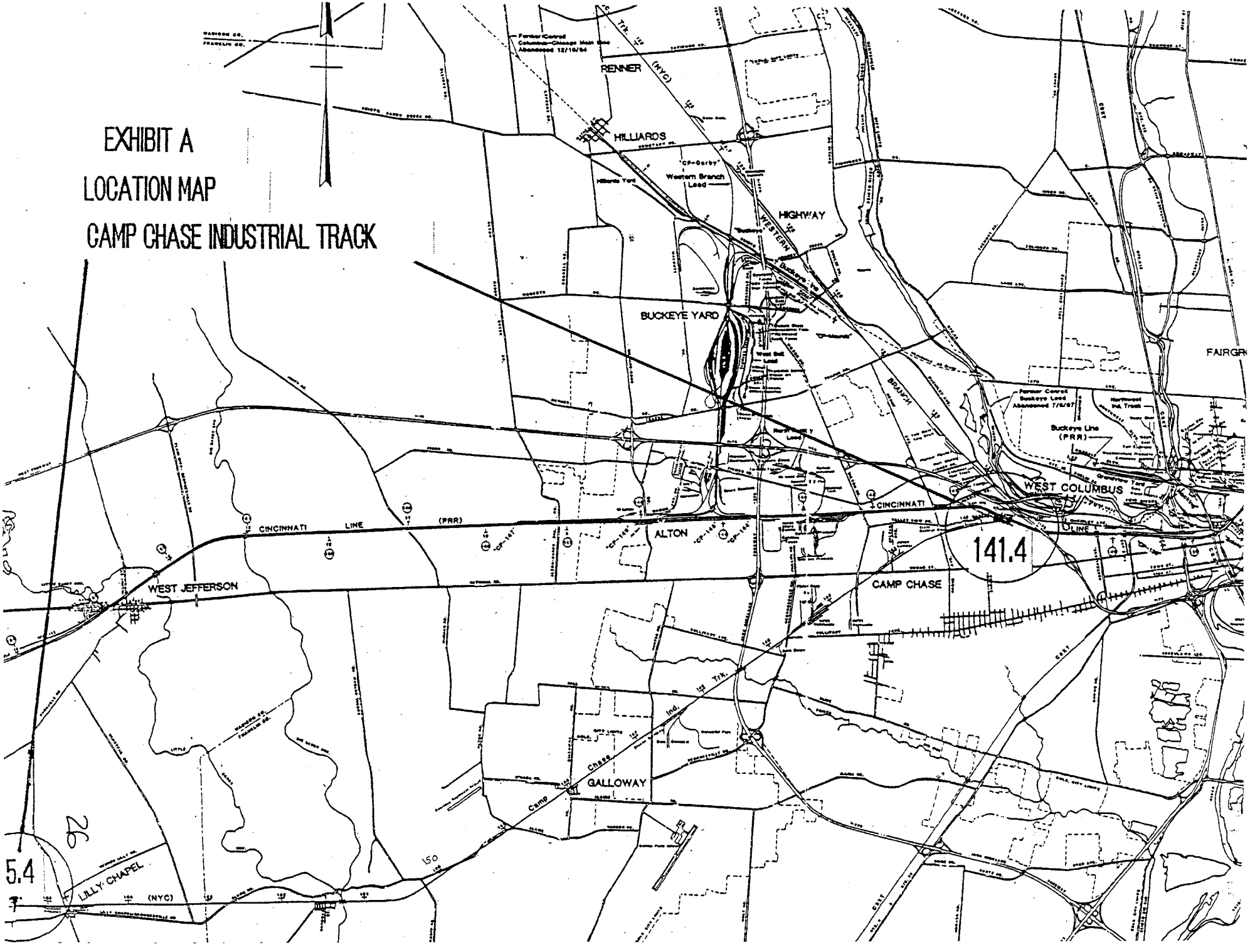
The Camp Chase will match ORDC grant funds dollar per dollar.

w:CampChase

EXHIBIT A

LOCATION MAP

CAMP CHASE INDUSTRIAL TRACK



Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

March 13, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **CAMP CHASE RAILROAD COMPANY PHASE II REHABILITATION GRANT** and dated February 27, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

APPROVED PROJECT BRIEFING
CLEVELAND COMMERCIAL RAILROAD CONTINUING TRACK IMPROVEMENTS

February 27, 2008

Project Costs		Project Benefits
* ORDC Grant	$100,000	* Reduces Derailment Expenses
* CCR Investment	$100,000	* Improves Safety
		* Improves Service to Shippers Employing 50

INTRODUCTION

The Cleveland Commercial Railroad Company, LLC (CCR) requested and ORDC's Chairman and Executive Director approved a grant of up to $100,000 or 50% of total project costs, whatever is less, to make improvements between Miles Avenue (MP 6.2) and Rockside Road (MP 10.4), including the replacement of 1,900 ties, bolt tightening and replacement, ballasting, raising and lining track, and related work on CCR's Glenwillow to Cleveland line.

BACKGROUND

On July 1, 2004, CCR took over operations of the 10. 4 mile long Wheeling & Lake Erie Railway (W&LE) rail line from Glenwillow (MP 15.5), near Solon, through Bedford and Maple Heights to the east side of Cleveland (MP 5.1). The Connotton Valley Railroad had previously operated the line for W&LE from October, 2002 to June of 2004. W&LE continues to own the line and lease it to the CCR which is responsible for maintenance and operations. A map of the CCR operated line is included as Exhibit "A".

CCR serves two major, rail-dependent scrap yards daily, providing inbound carloads of scrap to Weingold Scrap and Ferrous Metal Processing (which recently were consolidated under one "FPT – Weingold" ownership) located at the north end of the line in Cleveland. These rail-dependent scrap yards employ over 50 people. CCR also serves Bluff City, a steel processor located at approximately MP 10.2, which slits and pickles coils of steel. CCR provides inbound coils. The line now generates about 3,200 carloads of traffic per year. CCR interchanges all traffic with W&LE at the yard CCR and W&LE share in Glenwillow at the south end of the CCR line. The current traffic levels represent a dramatic increase in traffic compared to carloadings along the line when W&LE and Connotton Valley operated the line. In the last year of W&LE operations on the line in 2002, the line generated 412 carloads of freight. In 2003 the line generated 1,320 carloads for the Connotton Valley.

The Glenwillow to Cleveland line is listed as "Excepted" track but generally meets FRA Class I standards and is generally operated at 10 MPH speeds. It has well worn 110 lb. rail installed in about 1940. The line has several areas at the south end where the track is close to Tinkers Creek which results in unstable conditions for the track structure and areas where ties continually pump mud.

ORDC helped CCR in 2005 with a $40,000 grant to repair yard switches at the north end of the line, and a $16,600 loan to pay for electric power for a locomotive hot start system. (The loan has been repaid in full.) In addition, ORDC provided CCR a grant of $56,510 in the summer of 2006 to repair a passing track and make other repairs at the north end of its line near the two scrap metal companies.

In 2007, ORDC provided CCR with a $55,000 grant to help install ties, improve select ditching, and other related work between MP 7 and MP 14.8.

CCR started as a very small operation and remains so. In 2004, the only employees were the three owners of the operation. Since that time, CCR has added 4 full time and 2 part time employees. CCR contracts out all track work and has no in house track maintenance capabilities.

Because its marketing efforts have continually increased carloadings, CCR is becoming a solidly profitable operation. With the strong existing traffic base, and good prospects for more new traffic, ORDC staff expects that in the long run CCR should be able to continually improve and maintain its track. However, the CCR remains a small operation which is now dealing with increasing carloadings while still overcoming deferred maintenance. CCR has consistently invested more in capital and maintenance per mile than its net revenues per mile.

PROJECT DESCRIPTION

A detailed listing of the work to be performed is included herein as Exhibit "B". The work is divided into two phases. Phase I work will be done between Miles Avenue (MP 6.2) and Greenhurst Rd. (MP 9). Phase I work includes 900 ties (relay and new industrial grade), switch tie replacement, bolt tightening and replacement, ballasting, raising, lining, and related work. Total costs for Phase I are estimated to be $96,968.

Phase II work will be done between Greenhurst Rd. (MP 9) and Rockside Road (MP 10.4). Phase II work includes 1,000 ties (relay and industrial grade), bolt tightening and replacement, ballasting, raising, lining and related work. Total costs for Phase II are estimated to be $103,594.

CCR is using its continuing contract with a local contractor to perform the work. CCR will be responsible for track maintenance.

WHY ORDC FUNDING IS NEEDED

ORDC funding will help the CCR get the needed work done in a year or so rather than two or three years as well as freeing up CCR resources to perform more needed work to eliminate track deficiencies.

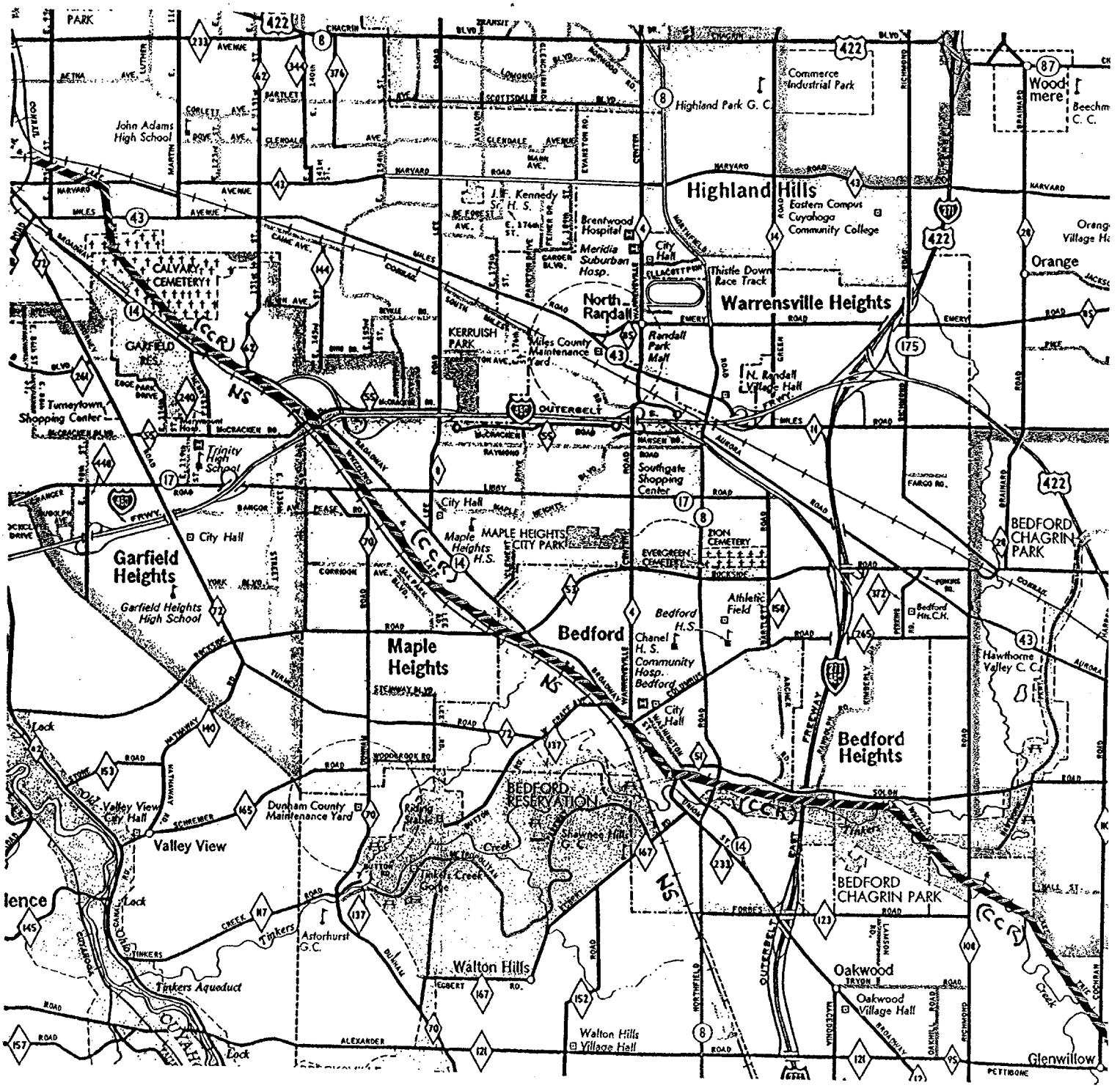
PROJECT BENEFITS

The ORDC funded track improvements will:

- Help reduce CCR derailment expenses enabling CCR to invest more in track upgrades. CCR had one derailment in 2007.
- Help CCR continue to provide reliable service to the FPT – Weingold scrap yards, and Bluff City Metal Processing. The rail-dependent scrap yards employ over 50 people.
- Help enhance safety of CCR operations.

OTHER CONTRIBUTIONS

CCR will match ORDC's grant funding dollar for dollar.



CLEVELAND COMMERCIAL RR (CCR)

Wintrow Construction Corp.

673 Norton Ave. Barberton, Ohio 44203 Tele: (330) 753-2983 FAX (330) 753-0439 1/25/08

"B"
1 of 2

CCR

Track maintenace/repairs
Miles rd. south to Greenhurst rd.

Machine tighten all bolts to proper torque specifications
Replace as needed, at an additional cost of $3.75 ea.

approx. 1 mile

Safety tie switch at South end of siding track
Replacing every third tie to correct gauge
3-9',5-10',3-11',3-12',3-13',5-14',3-15',2-16' new 7" ties

Replace every third tie South from Miles rd. to switch on main and siding track

approx. 200 relay ties

Replace ties South from switch to Greenhurst Rd.
Safety tie joints, and areas where gauge needs corrected.
Approx. 200' of track under Broadway replace every other tie
400-relay , 300 New 7" I.G. ties

Raise, level, and correct all cross elevation within work limits
Machine tamp and regulate all areas

approx. 1 mile

Stone and regulate to proper track profile
All stone will be supplied by owner

approx. 1 mile

Approx. 200 nt tons of stone is estimated

$96,968

If additional work is required the following are prices based on unit costs.

Tamping	$1.00/tr ft
Regulate existing ballast	$.35/tk ft
Regulate and spred new ballast	$.65/tr ft
Cross tie replacement	$78.72/ tie

Wintrow Construction Corp.

673 Norton Ave. Barberton, Ohio 44203 Tele: (330) 753-2983 FAX (330) 753-0439 1/25/08

"B"
2 of 2

CCR

Track maintenace/repairs

Greenhurst Rd. to Rockside Rd. overpass

Machine tighten all bolts to proper torque specifications
Replace as needed, at an additionsl cost of $3.75 ea.

approx. 1 mile

Replace ties South from Greenhurst Rd. to Rockside Rd. overpass
Safety tie joints, and areas where gauge needs corrected.

600-relay, 400-new 7" I.G. cross ties

Raise, level, and correct all cross elevation within work limits
Machine tamp and regulate all areas

approx. 1 mile

Stone and regulate to proper track profile
All stone will be supplied by owner

approx. 1 mile

Approx. 500 nt tons of stone is estimated

total $103,594

If additional work is required the following are prices based on unit costs.

Tamping	
Regulate existing ballast	$1.00/tr ft
Regulate and spred new ballast	$.35/tk ft
Cross tie replacement	$.65/tr ft
	$78.72/ tie

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
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March 13, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **CLEVELAND COMMERCIAL RAILROAD** and dated February 27, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

APPROVED PROJECT BRIEFING
RJ CORMAN CLEVELAND LINE REHABILITATION

March 5, 2008

Project Costs		Project Benefits
* ORDC Grant	$112,500	* Improves Service to Rail-Dependent Shippers
* RJ Corman Investment	$187,500	Employing 600 People

INTRODUCTION: The RJ Corman Railroad (RJC) requested a $150,000 grant to cover one half the costs of a track rehabilitation project on its Warwick to Dover to Uhrichsville rail line, the so called "Cleveland Line." ORDC staff recommends that ORDC provide $112,500 toward the proposed $300,000 project to install 3,100 ties, install select switch ties, renew crossing surfaces, surface & line select portions of track, and related track work between MP 77 and MP 94 in Tuscarawas and Stark Counties.

BACKGROUND

RJ Corman Eastern Ohio Rail Lines: RJC acquired the 48.8 mile long rail line from Warwick (MP 108.3) to Uhrichsville (MP 59.5) from CSX in 1988. This line was formerly part of the Cleveland, Lorain, and Wheeling Railroad (CL&W) and was called the CL&W line by CSX and its predecessor railroads. That is why RJC calls the line the Cleveland line.

The Cleveland Line connects to the CSX Baltimore to Chicago mainline at a small yard in Warwick, to the Norfolk Southern Pittsburgh to Crestline branchline at Massillon, to the Wheeling & Lake Erie Railway at Brewster, to the Ohio Central at Justice near Brewster, and to the Columbus & Ohio River Railroad at Uhrichsville.

The Ohio Central has trackage rights over RJC from Justice (MP MP 88.3) to Warwick (MP 108.3). The Ohio Central uses these rights daily for various trains it interchanges with CSX at Warwick. The RJC line from Midvale (MP 64) to the end of the line at Uhrichsville (MP 59.5) is out of service.

RJC operates the Cleveland Line in conjunction with its operations on its Wooster Branch. RJC trains reach the Wooster Branch via trackage rights over Norfolk Southern from Massillon to Wooster. A map of RJC's eastern Ohio lines is included as Exhibit "A".

Rail Business on the Cleveland Line: RJC serves 16 rail users on the Cleveland Line including the following: Advanced Drainage (plastics); Arizona Chemical (fatty acids); Clarion Warehouse (aluminum); Commonwealth Aluminum (aluminum); RJ Corman Material Sales (track materials); Dover Chemical (chlorine & other chemicals); Marlite (lumber); Miller Supply (pipe); National Lime & Stone (limestone); and Smurfit/Stone Container (paper). The Cleveland line generates about 2,800 cars a year. The chemical traffic makes up the vast majority of Cleveland Line carloadings. The line has been reasonably profitable. Average net revenues exceed average annual maintenance and capital expenditures on track. However, when a recent expenditure for a new locomotive to serve the Cleveland Line is considered, net revenues are equal to track and capital expenditures.

Past ORDC Project on Cleveland Line: In 2002, ORDC provided RJC with $496,056 in Federal Railroad Administration (FRA) Local Rail Freight Assistance (LRFA) grant funds to help RJC rebuild its rail bridge over Chippewa Creek in Summit County. (ORDC used "recycled" federal funds, i.e. funds recouped from the scrapping of an unneeded double track on a line that had been purchased with FRA funds many years previous.) The Chippewa Creek Bridge is a critical structure on the Cleveland Line as it is needed for all RJC and Ohio Central traffic using the Warwick interchange with CSX. In exchange for help on the Chippewa Creek Bridge, RJC invested over $550,000 in track rehabilitation on the Cleveland Line.

Cleveland Line Track Condition: The line is generally in FRA Class I condition allowing train service at 10 MPH. Track speeds have deteriorated from 25 MPH operations. Decreased train speeds have led to increased costs of RJC operations, potentially leading to a cycle of decline (i.e. slower trains, higher costs, less revenue to invest in rehabilitating track). RJC has identified over $1.2 million in track improvements to bring the line up to Class II, 25 MPH conditions for the next decade.

PROJECT DESCRIPTION: RJC has broken total Cleveland Line rehabilitation needs into four phases. Phase I "Priority One" work, estimated to cost $300,000, is described below:

Priority One Cleveland Line Rehabilitation Needs

MP 86 to 88.1	**1,900 ties**
MP 86 to 88.1	**750 tons ballast**
MP 86 to 88.1	**Surfacing**
MP 77 to 88.1	**Renew 121 ft. crossing surfaces**
MP 78 to 94	**30 switch ties**
MP 77 to 78.3	**1,200 ties**
MP 77 to 78.3	**Surfacing**
MP 77 to 78.3	**400 tons ballast**

RJ Corman would do the Priority One work with its own railroad forces and would be responsible for continued maintenance.

WHY ORDC FUNDING IS NEEDED: ORDC grant funding will help RJC do more rehabilitation work on the Cleveland Line and get it done faster.

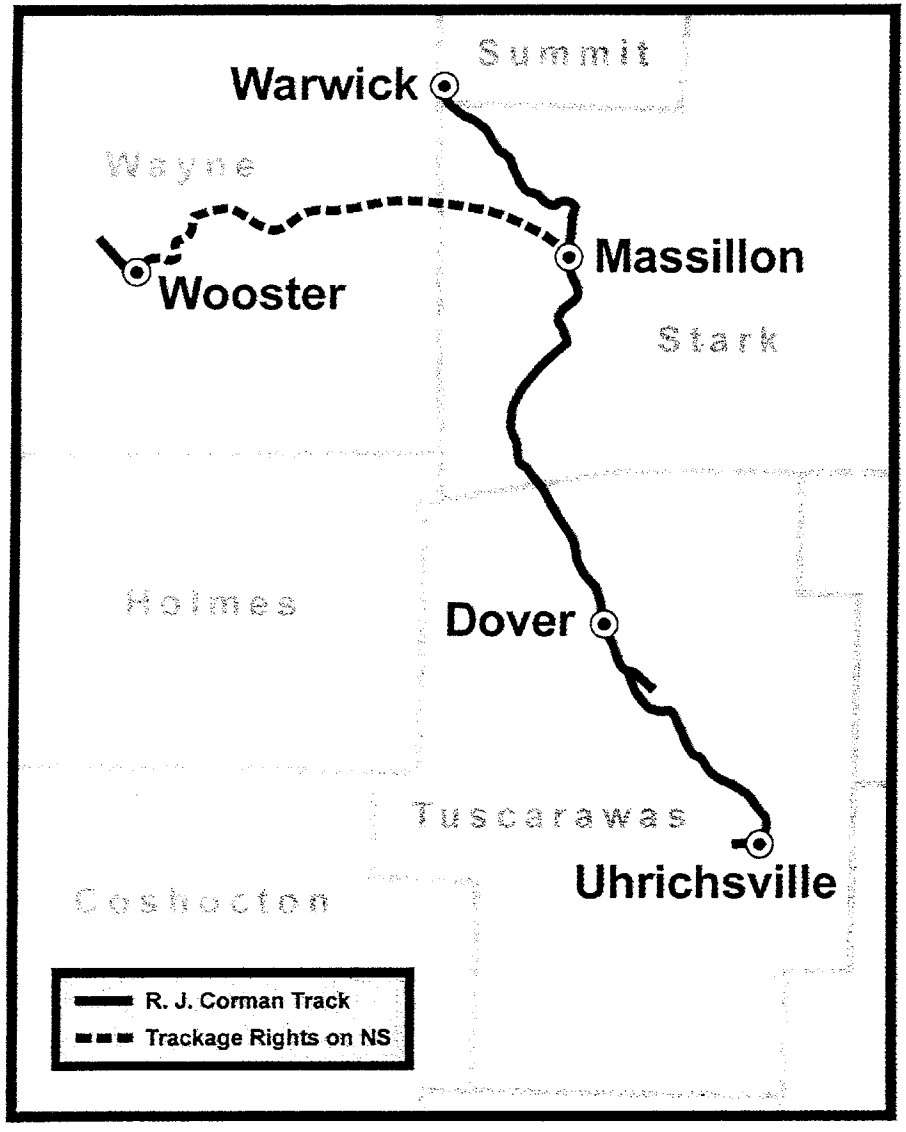
PROJECT BENEFITS

- The track to be rehabilitated primarily serves key RJC customers in Tuscarawas County who employ over 600 people.
- Priority One track work will help RJC start the process of getting Cleveland Line track speeds back up to 25 MPH.

OTHER CONTRIBUTIONS: RJC will provide 62% of project funding.

SPECIAL CONTINGENCIES: In exchange for ORDC grant funding, RJC shall agree to keep its new locomotive # 3805 operating on the Cleveland Line for a period of 10 years or repay ORDC a 10% proportion of the grant funding for each year the locomotive is not operating on the line.

w: RJCormanClevelandLine



R.J. Corman Railroad Company/ Cleveland Line

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
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March 13, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **RJ CORMAN CLEVELAND LINE REHABILITATION** and dated February 27, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

APPROVED PROJECT BRIEFING
INDIANA NORTHEASTERN RAILROAD CROSSING UPGRADES

February 28, 2008

Project Costs		Project Benefits
* ORDC Grant	$75,000	* Service to Edon Coop Elevator Enhanced;
* INE Investment	$75,000	39 Edon Employees and Area Farmers Benefit
		* 4 Road Crossing Surfaces Repaired

INTRODUCTION: The Indiana Northeastern Railroad Company (INE) requests a $75,000 grant to upgrade its 8.55 miles of Ohio track by replacing 4 crossing surfaces, surfacing 3 miles of track, and eliminating a farm underpass.

BACKGROUND

Indiana Northeastern Tri-State Operations: INE operates a 123 mile rail system with 8.55 miles in Ohio, 44 miles in Indiana, and 70 miles in Michigan. INE connects directly with Norfolk Southern at Montpelier, Ohio and at White Pigeon, Michigan via a short line connection with the Michigan Southern Railroad. However, virtually all INE traffic uses the Ohio NS interchange. A map of the INE system is included as Exhibit "A".

Most of INE traffic is generated by the agricultural industry. In addition, it serves a small power plant in Litchfield, Michigan. Total INE carloading for the last three years are as follows: 2005 – 6,227 carloads; 2006 – 6,848 carloads; 2007 – 5,369 carloads. Despite only generating about 45 or 55 carloads per mile (a marginally profitable operation), INE has invested twice as much in track maintenance per mile than it has reaped in net profit a mile over the last three years system wide.

Indiana Northeastern Ohio Operations: INE's only Ohio customer is Edon Farmers Coop in Edon, a major grain and fertilizer facility employing 39 people. Edon Coop recently added 650,000 bushels of grain storage and 1 million gallons of liquid fertilizer storage to its facility. Edon Coop generated 801 carloads of grain and fertilizer traffic last year. This compares to 1,199 cars in 2006 and 929 cars in 2005. In addition to moving Edon Coop rail business, INE moves Ohio coal into the Litchfield power plant, about 750 carloads in 2007.

INE has a good track record at investing in its Ohio infrastructure. It has invested three times more in track maintenance per mile than its net revenues per mile for its Ohio operations over the last three years. In the last three years INE has installed 6,200 ties in its 8.55 miles of Ohio track. The Ohio line is generally in very good FRA Class I condition.

Past ORDC Projects: ORDC has partnered with INE on several projects in the past. In 1999, ORDC provided a $55,000 grant and $90,000 loan for Ohio track work. In 2004, ORDC provided a $21,100 grant from its GRF budget to help with a crossing closure project in Edon. ORDC invested approximately $200,000 in Grade Crossing Safety funds for crossing safety upgrades as a result of the closure project.

PROJECT DESCRIPTION: The INE plans to continue its investment in its Ohio portion of its railroad. Below is a breakdown of its proposed expenditures if ORDC provides grant assistance:

Indiana Northeastern Ohio Work, 2008

Surface Three Miles of Track	**$22,176**
Ballast (1,000 tons) for Surfacing	**$21,000**
Eliminate Farm Underpass	**$25,000**
Crossing Surface, CR 1	**$20,000**
Crossing Surface, CR 2	**$20,000**
Crossing Surface, CR 4	**$20,000**
Crossing Surface, CR 7	**$20,000**
Total	**$148,176**

Staff recommends that ORDC provide INE a grant of $75,000 to perform the crossing surface work as a quid pro quo for INE performing all other planned work and paying for any costs for the crossing work over and above the $75,000 ORDC grant.

WHY IS ORDC FUNDING NEEDED: Grade crossing improvements are often a low priority for railroads because there is a very limited return involved. With ORDC grant funding, more crossing surface repairs will be done and they will get done faster.

PROJECT BENEFITS

- Rail service to Edon elevator enhanced. Williams County farmers and 39 employees of Coop benefit.
- Four grade crossing surfaces improved for the traveling public.

OTHER CONTRIBUTIONS

Indiana Northeastern will invest $75,000 in Ohio work.

P. O. BOX 262 • 50 MONROE ST. • HILLSDALE, MICHIGAN 49242

INDIANA NORTHEASTERN RAILROAD COMPANY

Railroad System Map

Indiana Northeastern Trackage

Approx. Scale 0 1 2 3 4 5 Distance in Miles

Mainline Rail Network Extending Over 120 Miles

MAP NOT TO EXACT SCALE

Administrative Offices-South Milford, IN 260-351-2421 Fax: 351-3350
Operating Offices-Hillsdale, MI 517-439-4577 Fax: 439-0222

MICHIGAN

INDIANA

OHIO

TO KALAMAZOO, DETROIT AND GRAND RAPIDS

TO ELKHART

TO DETROIT

TO FORT WAYNE

St. Joseph County

Branch County

Hillsdale County

Steuben County

LaGrange County

Noble County

Dekalb County

Williams County

I-69

I-80/90

Litchfield

Jonesville

Hillsdale

Bankers

Reading

Montgomery

Ray

Fremont

Angola

Pleasant Lake

Edon

Montpelier
(Interchange with Norfolk Southern)

Coldwater

Batavia

Quincy

Allen

Bronson

Burr Oak

Sturgis
(Interchange with Michigan Southern Railroad)

White Pigeon
(Interchange with Norfolk Southern)

STURGIS TO WHITE PIGEON
Michigan Southern Railroad Trackage

STURGIS TO QUINCY
Branch County Rail Users Association Trackage

Ashley

South Milford

Helmer

Hudson

Steubenville

Hamilton

NORFOLK SOUTHERN

N

W

E

S

40

A"

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March 13, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **INDIANA NORTHEASTERN RAILROAD CROSSING UPGRADES** and dated February 28, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

APPROVED PROJECT BRIEFING:
MAUMEE AND WESTERN TRACK REHABILITATION

March 4, 2008

Project Costs			Project Benefits
* ORDC Grant	up to	$150,000	* New Transload; 200+ New Carloads
* MAW Investment	up to	$150,000	* 1,200 Truck Trips Off Local Roads/Yr.
			* 2,400 Jobs Positively Impacted
			* 286,000 lb. Cars for Johns Manville
			* $44,500 in RR Efficiency Savings

INTRODUCTION: The Maumee and Western Railroad (MAW) requests a $150,000 grant matched dollar for dollar by MAW funding and in kind contribution of rail and steel hardware for the purpose of rehabilitating the Defiance Yard and MP 42 to MP 43 on the MAW mainline.

BACKGROUND

Overview of MAW Line: The MAW serves approximately 53 miles of rail lines between Woodburn, Indiana and Liberty Center Ohio. Of these 53 miles, approximately 50 are in Ohio. The map included as Exhibit "A" shows the MAW system and connections. MAW interchanges with Norfolk Southern at Woodburn and with CSX at Defiance. The line between MP 63.2 east of Cecil and MP 55 near Defiance, however, is out of service so that rail users east of Defiance do not have direct access to NS interchange and shippers west of Cecil do not have direct access to CSX interchange. The recent reinstallation of double diamond crossings at Defiance by CSX will facilitate the connection of the two MAW service islands but investment in the line from MP 63.2 to MP 55 will still be needed.

The MAW acquired the line in December, 1997 from the Norfolk & Western Railroad as a result of the bankruptcy proceedings for the Indiana Hi-Rail Railroad which had been leasing the line at the time of its bankruptcy. The acquisition took place with the help of a $1.2 million loan from the ORDC. This loan has been fully repaid. The MAW inherited deferred maintenance problems along with the problems of operating heavy freight mostly on light, 80 lb. rail, and operating on sections of track in an area formerly called the Black Swamp. The out of service portion of the line is largely located in the Black Swamp area.

The MAW is strategically located along US 24 on the "Fort to Port" highway which connects Fort Wayne with Toledo. The Ohio Department of Transportation is in the process of making the Ohio portion of US 24 a four-lane highway but is many years away from completing the project. There are many industrial development sites along the MAW served on one side by US 24 and on the other by the MAW. In addition, the MAW serves two industrial parks at Napoleon and two in Defiance.

The MAW line has been generating an average of 3,269 carloads of traffic a year for the last three years. There are 24 customers served by the MAW, 15 of which have been active rail user in the last three years. Major customers include Antwerp Equity, Johns Manville, Jewell Grain, Cloverleaf, Interstate Cold Storage, Systech, Glenn Hunter, and Ag Plus. MAW rail users are primarily in the agricultural industry (outbound grain & inbound fertilizer), the food processing and warehousing businesses (various food products), and the manufacturing industry (various steel, plastic, cement, chemical, and building products).

Poor track condition is preventing the MAW from adequately taking advantage of the economic development opportunities along the line. It is a "chicken or egg" situation wherein more rail carload business is needed to raise the money needed to rehabilitate the track, but good track is needed to effectively increase service so that more carloads can be generated.

Not surprisingly, the MAW's bottom line has suffered because poor track increases operating costs. The line has been marginally profitable in the last three years. Still, MAW invests more per mile operated in maintenance than its level of net profits per mile operated.

Recent ORDC Projects, Phase I: In March, 2004, ORDC approved a $168,405 grant matched by a MAW investment of $45,054 to repair several portions of the MAW line. Track work has been completed at the following locations: Okolona (MP 40) to Jewell (MP 47); at Defiance (MP 47 to MP 50); near Cecil (MP 67 to MP 69); near Antwerp (MP 74 to MP 76); and at Napoleon (MP 33.6)

Recent ORDC Projects, Phase II: The line from just east of Napoleon (MP34) to Liberty Center (MP 28) had been out of service but the MAW put it back in service with the help of a $206,000 loan ORDC approved in March, 2004. MAW is in good standing on repayment of that loan which will be fully repaid by 2012.

Recent ORDC Phase III Project: The Phase I ORDC project hit several of the worst parts of the MAW track between Defiance (MP 51) and the outskirts of Napoleon (MP 34). The Phase III project augmented and complimented the Phase I work by installing 2,215 ties between MP 51 and MP 34 and 845 ties between MP 64 at Cecil and MP 75.6 at the Indiana State Line. ORDC provided a $120,000 grant for this work.

Current Situation: The MAW has continued to invest in portions of its track but problems with track conditions remain. MAW interchanges with CSX in Defiance and stages its traffic out of a MAW yard there. This yard is in need of rehabilitation including some new rail to be able to handle 286,000 lb. cars and to improve its overall usefulness, including the start of a small transloading operation to serve two customers, Campbell and Arps Dairy. One major customer, Johns Manville, is located right next to the Defiance Yard and will benefit from being able to use heavier cars.

A very key segment on the MAW line lies between Defiance (MP 51), where MAW and CSX interchange, and Napoleon (MP 36) where there are several significant rail users. The track between MP 42 and 43 along this key segment is particularly in need of rehabilitation.

PROJECT DESCRIPTION: A delineation of work to be performed to rehabilitate the Defiance Yard and MP 42 to MP 43 is included herein as Exhibit "B".

As part of its share of costs, MAW will provide 300 track feet of 115 lb. rail and 1,540 track feet of 105 lb. rail. ORDC will assign a dollar value to this contribution of rail and include it as part of the MAW dollar for dollar match for ORDC grant funding.

Work will either be contracted out through a competitive bidding process and/or performed by MAW forces. The exact mix of contracting out and force account has not been determined. MAW will be responsible for maintenance.

WHY ORDC FUNDING IS NEEDED

The MAW does not yet generate sufficient net revenue to have the funds needed to handle all of the deferred maintenance issues on the line.

PROJECT BENEFITS

- MAW expects that the Defiance Yard project will facilitate the movement of over 200 new carloads a year; counting round trips, these new carloadings will take 1,200 truck trips off local roads.
- MAW projects that its annual derailment expenses will be reduced by about $11,500.

- Rail users on the MAW which employ about 2,400 people will directly benefit from the Defiance Yard project.
- MAW projects that operational savings of over $33,000 will be realized due to improved track.

OTHER CONTRIBUTIONS

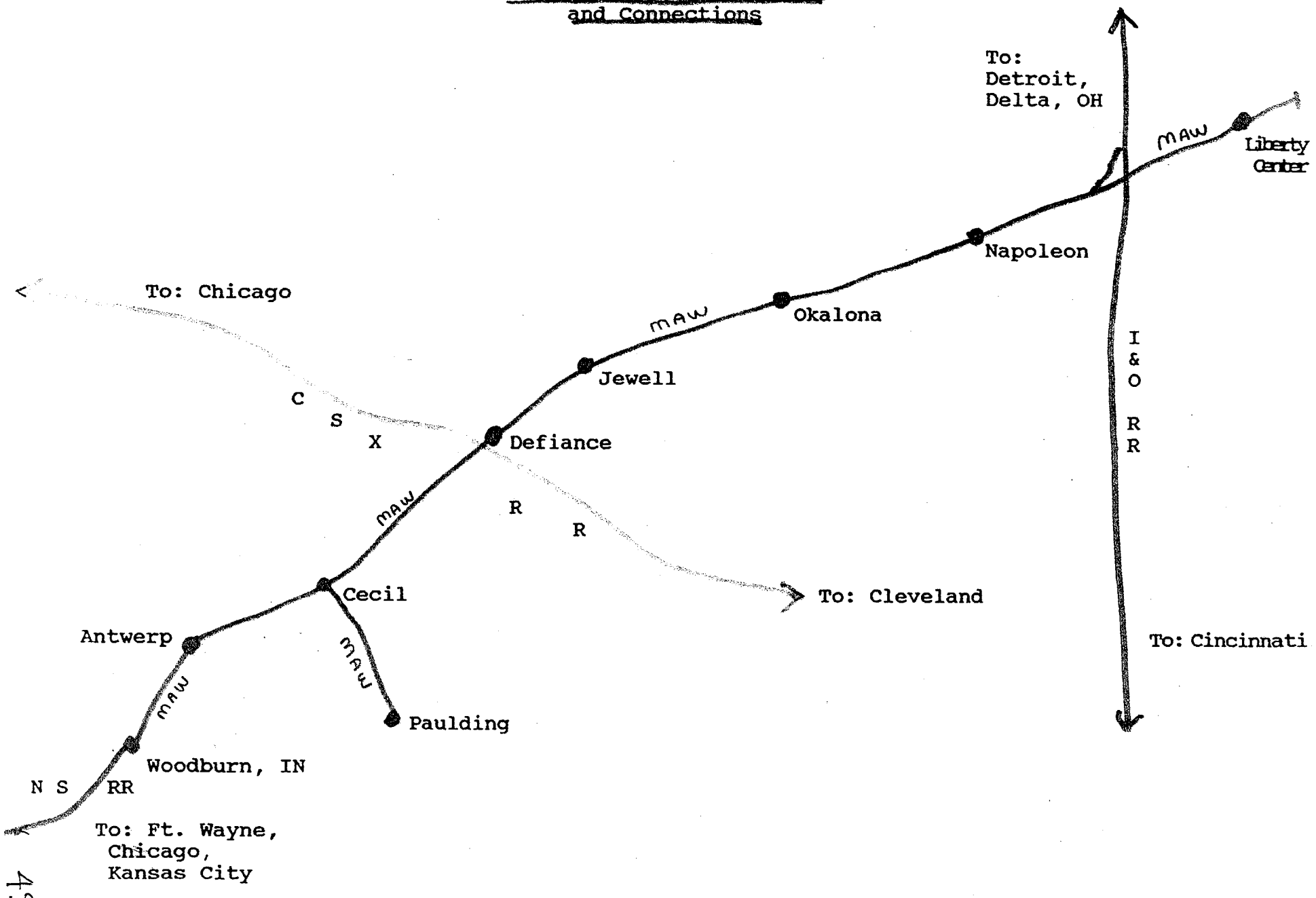
The MAW will match ORDC's grant on a dollar for dollar basis (including a cash value assigned to MAW rail used for the project).

SPECIAL CONTINGENCIES

ORDC funds will be expended first for the Defiance Yard project. Upon completion of that project, the remainder of ORDC funds will be used for the MP 42 to MP 43 project.

w:MAWDefianceYard

Maumee & Western Railroad and Connections



Detailed Cost Budget

Work Task Item	Work Task Cost	Unit Costs
Defiance Yard Project:		
Furnish & Install 1004 6x8 ties	$ 63,221.88	$62.97/tie
Furnish 328 115 # tie plates	$ 3,280.00	$10.00/ea
Rehab two turnouts	$ 16,000.00	n/a
Install 1004 tons ballast	$ 23,594.00	$23.50/ton
Supply 300 tf 115# rail	$ 8,263.55	$695/ton
Supply 115# joint bars	$ 416.00	$26.00/set
Supply 4 sets comp bars	$ 800.00	$200/set
Install 300 tf 115# rail	$ 1,800.00	$6.00/tf
Surface 1395 tf	$ 1,743.75	$1.25/tf
Sub-total	$119,119.18	
MP 42-43 Rehab and Upgrade Project:		
Furnish 2186 tf 105# rail	$ 38,255.00	$500/ton
Install 2186 tf 105# rail	$ 13,116.00	$6.00/tf
Furnish joint bars	$ 2,018.00	$18 set
Furnish 4 sets comp bars	$ 800.00	$200/set
Furnish & Install 1008 6x8 ties	$ 63,473.76	$62.97/tie
Furnish & Install 85 7x9 ties	$ 5,862.45	$638.97/tie
Furnish & install 1068 tons ballast	$ 25,098.00	$23.50/ton
Re-build crossing CR 18	$ 9,350.00	n/a
Engineering, rehab Bridge 42.55	$ 10,000.00	n/a
Surface 2,076 tf	$ 2,595.00	$1.25/tf
Sub-total	$170,568.21	
Grant Total	**$289,687.39**	

Ohio Rail Development Commission

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March 13, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **MAUMEE AND WESTERN TRACK REHABILITATION** and dated February 28, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

APPROVED PROJECT BRIEFING:
Ohi-Rail Crossing Sight Distance Improvements/Wayside Limb & Brush Cutting

March 4, 2008

Project Funding		Project Benefits
* ORDC Grant	$75,000	* Improves Efficiency of Piney Fork Operations
* Ohi-Rail	$2,000	* Improves Safety at up to 22 Ohi-Rail Crossings
		* Eliminates Worst Vegetation Issues along Line

INTRODUCTION Ohi-Rail Corporation requested a $75,000 grant for the purposes of 1) clearing vegetation at up to 19 road crossings along the ORDC owned Piney Fork line between Minerva and Amsterdam as well as up to 3 crossings along Ohi-Rail owned lines in Minerva and Bayard; and 2) select wayside limb and brush trimming along select portions of Piney Fork tracks.

BACKGROUND

Ohi-Rail Operations: Maps of the Ohi-Rail operations are included herein as Exhibit "A" (the Minerva Yard Area and Piney Fork Line) and Exhibit "B" (a general map of the Ohi-Rail area). Ohi-Rail owns, or has operating rights over, approximately 41 miles of track.

As shown on Exhibit "A", ORDC owns a 1.47 mile long segment of track called the Pekin Branch as well as the "Piney Fork" line from just south of Minerva Yard (MP 43.5) to the end of the line at Hopedale (MP 77.5). Ohi-Rail has operating rights on all ORDC owned trackage shown. The Piney Fork is in service between Minerva and Amsterdam including one mile of the Wolf Run Branch. The Piney Fork is out of service between Amsterdam and Apex. The Ohio Central operates over the Piney Fork via a trackage rights agreement between the municipal solid waste facility at Apex and Carman/Pan where the Piney Fork connects to the Panhandle. The Piney Fork line is out of service between Pan and Hopedale where it connects to the W&LE. Ohi-Rail has the right of first refusal to purchase the Piney Fork line.

As shown on the rest of Exhibit "A", Ohi-Rail owns the 0.35 mile long Alliance branch, the 1.7 mile long Minerva Yard, the 0.30 mile long Horn Connecting Track, and the 2.8 mile long branchline between Minerva Yard and its interchange with Norfolk Southern at Bayard. ORDC has the right of first refusal to purchase this Ohi-Rail owned track.

Ohi-Rail has four locations where it could interchange with other railroads but is only using one at present. Ohi-Rail's active interchange is with Norfolk Southern at Bayard. Ohi-Rail could interchange with W&LE on the W&LE track which connects to Ohi-Rail operations from the W&LE Carrollton Branch (this interchange is open, but not currently being used), or at Hopedale where there is a small yard which both Ohi-Rail and W&LE have physical access. The Hopedale W&LE interchange option would require track upgrades. Any regular interchange between Ohi-Rail and W&LE's Carrollton Branch would require a new interchange track or finding an existing track to use for interchange on one or the other railroad. Ohi-Rail could also interchange with the Columbus & Ohio River Railroad at Apex along the Piney Fork or some point along the Panhandle such as the Carman Connection between the Panhandle and Piney Fork but again some Ohi-Rail track would need to be upgraded and an interchange track would need to be found or built.

Ohi-Rail's business is composed of three basic elements, car storage, carload traffic, and transloading at Minerva Yard. Currently, car storage is a major revenue generator with about 700 cars in storage. Ohi-Rail is in the process of rebuilding its transloading traffic base in Minerva Yard, and is now transloading construction and demolition materials and plastics. Carload traffic totaling several dozen carloads a year is generated by two lumber companies in the Amsterdam area. In 2007, Ohi-Rail generated 244 revenue carloads of freight between

its carload and transload operations. Ohi-Rail has not shown a profit in its last three full years of operations but is paying off debt and developing new traffic, especially in Minerva Yard, to regain profitability.

Piney Fork Operations: On the ORDC owned Piney Fork, Ohi-Rail serves two active customers, DeNoon Lumber in Bergholz, and Lumber Services in Amsterdam. DeNoon has historically shipped a few dozen boxcars a year of finished lumber products out by rail. The Piney Fork between Bergholz and Amsterdam had been out of service until about a year ago. Lumber Services in Amsterdam now generates an occasional carload of inbound dimensional lumber. In addition, Ohi-Rail stores cars on the Piney Fork on the Wolf Run Branch, as well as at Watheys, Bergholz, and Phillips.

Piney Fork Track and Bridge Conditions: With the light traffic on the line, the ORDC owned Piney Fork track is "Excepted". Excepted Track is the lowest class of track on which a railroad is allowed by the Federal Railroad Administration (FRA) to operate. Train speeds on Excepted Track are limited to under 10 MPH. Hazmat traffic is severely restricted (maximum of 5 cars at a time) and passenger operations are altogether prohibited on Excepted Track.

Piney Fork bridges are inspected by qualified inspectors annually and are generally structurally sound. An ORDC – Ohi-Rail project approved last year is helping to dramatically improve the Ohi-Rail track structure on Piney Fork bridges. ORDC is investing $42,924 in these bridge deck projects.

Piney Fork Crossing Conditions: With Ohi-Rail losing small amounts of money for the last three years, it has not been able to invest much in crossing repair and safety. ODOT District 11 rebuilt two grade crossing surfaces for Ohi-Rail on the ORDC owned Piney Fork earlier this year at SR 43 and SR 164, both in Jefferson County. ODOT District 11 provided the equipment and labor, ORDC provided the asphalt and stone, while Ohi-Rail disposed of waste materials and provided flaggers and project oversight. ORDC has been made aware of complaints about the condition of other Piney Fork grade crossing surfaces and appurtenances and is investigating them.

Keeping the brush clear for sight distance for both the train engineer and for the traveling public has been a problem. Ohi-Rail has historically sent out crews with chain saws to cut back brush at crossings only to have it grow back quickly after. The fact that the roots of various trees and shrubs that are growing on the right-of-way stay untouched by chain saws guarantees that any hand operated brush clearing is only a temporary solution.

Piney Fork Vegetation Conditions: There has not been any major wayside limb and brush cutting vegetation control along the Piney Fork line for decades. As a result, brush and branches create a tunnel effect for much of the forested area of the line. Brush and branches come into contact with the locomotive and train cars at some locations creating a sight distance problem and potential hazard for the train crews.

PROJECT DESCRIPTION: The project will be broken into two parts. The first part will involve improvements to sight distances at up to 22 crossings. This work will cost up to $52,000. The second part will be mechanized wayside limb, and brush cutting along the Piney Fork line. This work will cost up to $25,000 making total project cost of up to $77,000.

Crossing Sight Distance Work: The crossing sight distance work will be accomplished with a back hoe and a bulldozer. The purpose of the work will be to eliminate all significant plants along the railroad right-of-way at various grade crossings. Bushes and trees will be removed roots and all so that the ground can be graded and made ready for planting of grass or ground cover. In some instances, drainage at the crossing will also be improved. Upon completion of the project, Ohi-Rail will be able to control crossing vegetation by bush hogging or mowing the grasses or with application of chemicals. Not all quadrants of all crossings require extensive work. And the time and effort it takes to complete bulldozer and back hoe work will vary substantially at various crossings. Ohi-Rail proposes to hire contractors on an hourly or daily basis to perform

the work supervised by Ohi-Rail personnel to maximize flexibility. The Ohi-Rail goal would be to do all of the 22 crossings but it is possible that not all could be done for the $52,000 budget. A listing of the 22 crossings in need of sight distance improvement broken down by the number of quadrants involved and their priority (i.e. Priority A or Priority B), is included herein as Exhibit "C".

Wayside Vegetation Control: Cutting limbs and brush which contact Ohi-Rail locomotives and cars will require track mounted brush cutting equipment. However, in certain areas, a bulldozer may also be required. Again, Ohi-Rail proposes hiring a limb and brush cutting contractor on an hourly or daily basis to get as much work as possible done where it is most needed and to maximize flexibility. This limb and brush cutting will not resolve the issue, but will provide some relief in the areas where it is most needed. Ohi-Rail will target the areas of Phillips, Bergholz, and Amsterdam for wayside brush cutting because that is where Ohi-Rail does a good deal of switching so sight distance is especially important for the train crews.

Cost Control: ORDC Staff agrees with the Ohi-Rail assessment that trying to get competitive bids for performing a specific scope of work for clearing vegetation is probably not a cost effective way to proceed. It is very likely that companies would shy away from bidding due to the uncertainties of what they will encounter in uprooting trees and shrubs on the long neglected Piney Fork right-of-way. The uncertainties of what could be encountered, coupled with the small size of the job, would likely cause bidders to either not bid or to bid high to ensure that they would make money. ORDC Staff agrees with Ohi-Rail that a simpler bidding process, i.e. bids as to the hourly or daily costs for machines and operators, is a better approach for a project of this nature because it maximizes flexibility. ORDC will require that Ohi-rail seek competitive bids based on time and not an exact scope of work.

ORDC Staff recognizes, however, that doing work on an hourly/daily basis runs the risk of funds being depleted before the project work envisioned is completed. Staff will include in the Grant Agreement for this contract language that requires Ohi-Rail to supply weekly progress reports on the work completed and the costs incurred. The Grant Agreement shall stipulate that if Staff is not satisfied with the work completed compared to the costs, ORDC's Executive Director will have the absolute right to terminate the Grant Agreement and to stop providing any further funding.

WHY ORDC FUNDING IS NEEDED: Without ORDC funding the crossing sight distance and wayside brush issues will not be addressed at all.

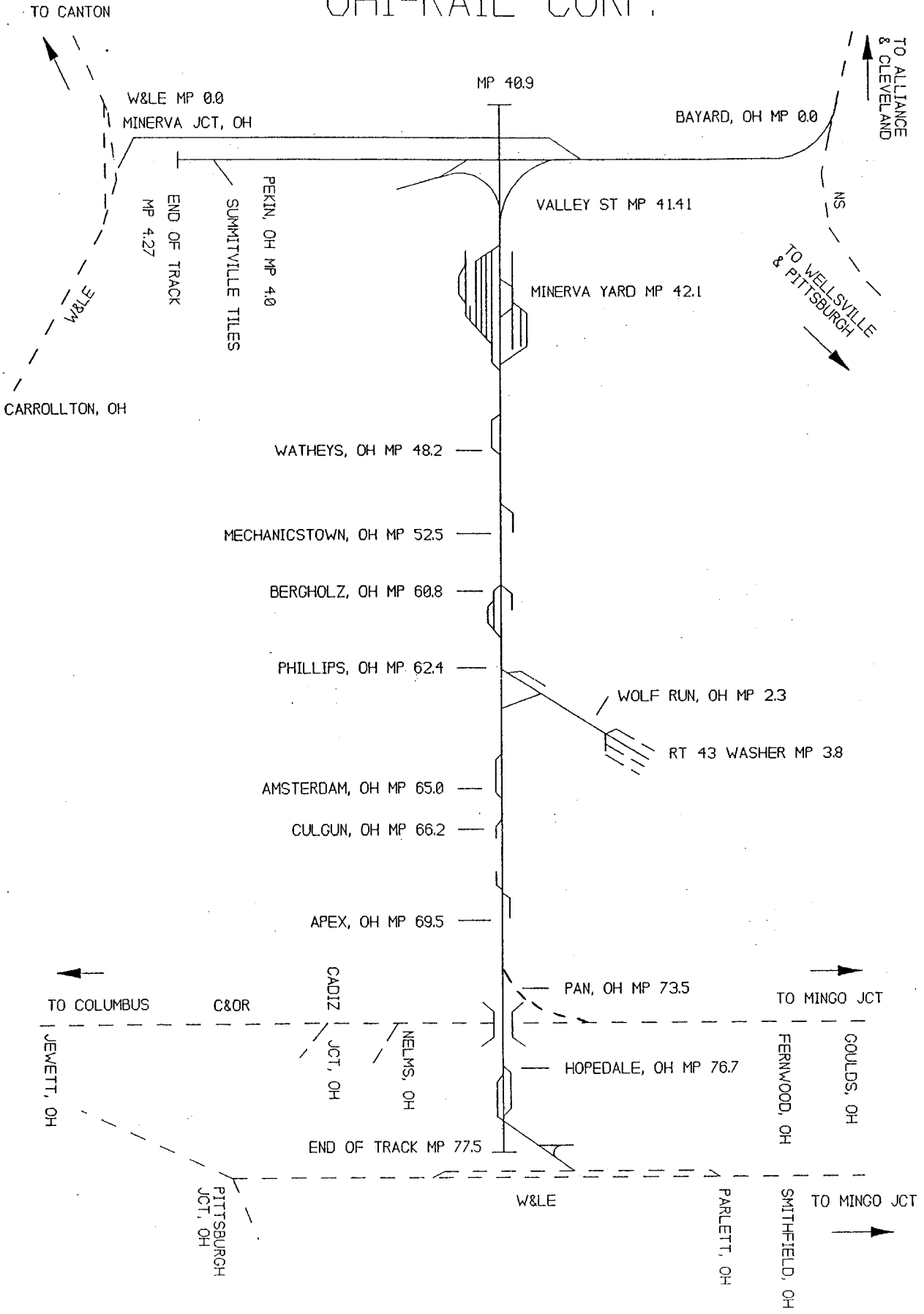
PROJECT BENEFITS

- Sight distance at up to 22 grade crossings improved for traveling public as well as Ohi-Rail train crews.
- Ohi-Rail maintenance costs for continuing to keep sight lines clear will decrease substantially.
- Select drainage issues at some crossings will be alleviated.
- Sight distance along the line will be improved; crew safety will be enhanced by eliminating brush from hitting the locomotive and cars.

OTHER CONTRIBUTIONS: Ohi-Rail is contributing $2,000 and will provide extensive project management and inspection support.

SPECIAL CONTINGENCIES: The work to improve the sight distance at all "Priority A" crossings on the ORDC owned Piney Fork line as identified in Exhibit "C" shall be performed before any work on sight distance for Ohi-Rail owned crossings shall begin. Staff will include in the Grant Agreement for this contract work that Ohi-Rail must supply weekly progress reports on the work completed and the costs incurred. The Grant Agreement shall stipulate that if Staff is not satisfied with the work completed compared to the costs, ORDC's Executive Director will have the absolute right to terminate the Grant Agreement and to stop providing any further funding.

OHI-RAIL CORP.



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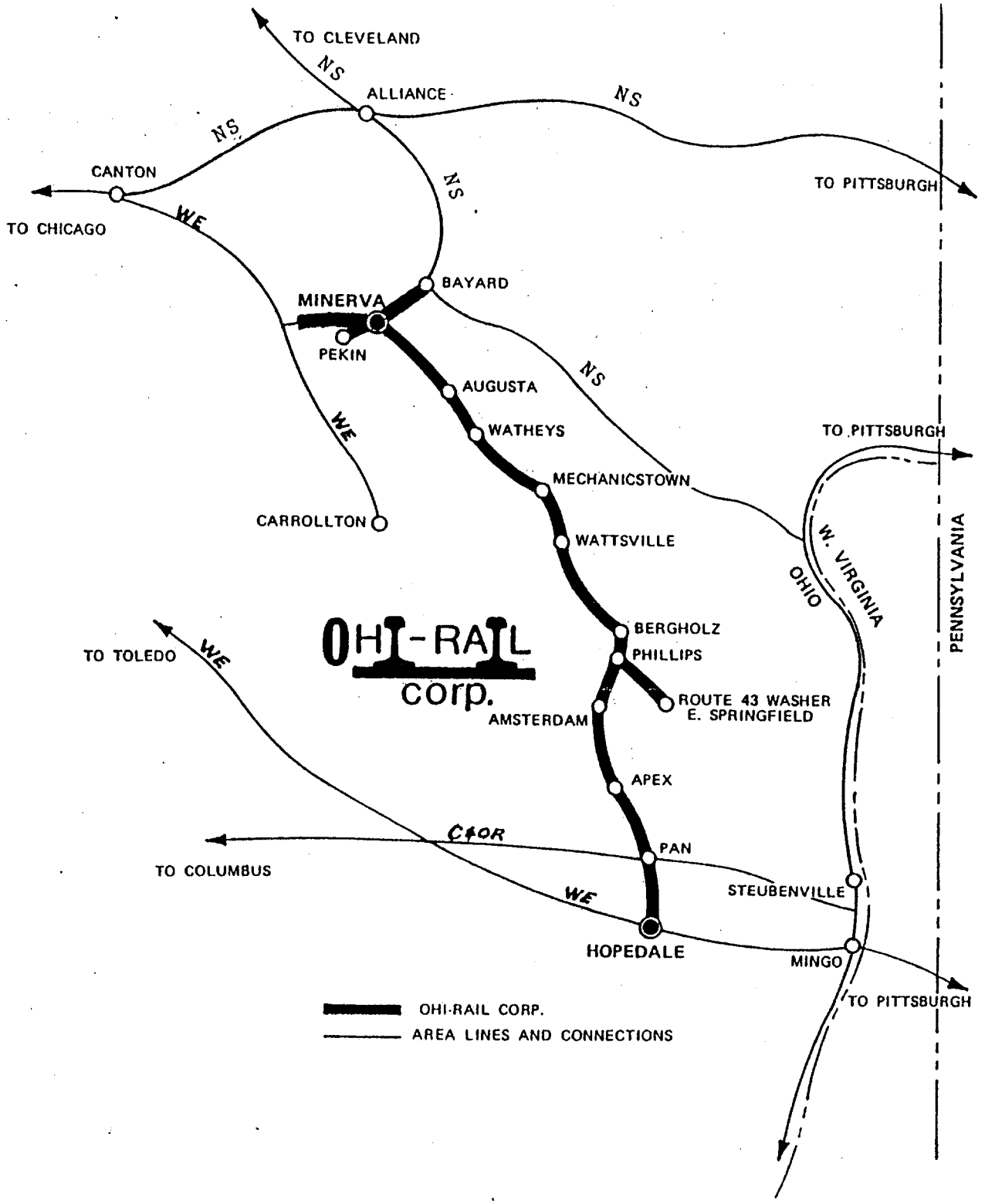


Revisions:
5/17/90 (W&LE)
4/17/92 (C&OR)
11/08/93 (OHIC Bayard
6/01/99 (NS Merger)

52

C

Ohi-Rail 2008 Funding Application
Appendix A
Grade Crossing List

Crossing Name	Road Number	AARDOT Number	Nearest Community	County	Work Quadrants	Count
Priority A List						
Grant Street		503464V	Minerva		NW	1
Line Street		503441N	Minerva		NE	1
Arrow Road	Carroll 15	503473U	Minerva		NW, NE	2
Arbor Road	Carroll 14	503324T	Minerva	Carroll	All	4
Bellflower Road	Carroll 30	503317H	Minerva	Carroll	NE, NW, SW	3
Lynn / Arbor Road	Carroll 14	503316B	Patterson	Carroll	SE	1
Mark Road	T 260	503310K	Mechanicstown	Carroll	All	4
Moonwind	T 281	503309R	Mechanicstown	Carroll	NE, SE	2
First Street	T 263	503271W	Bergholz	Jefferson	NE, NW	2
Wolf Run Rd	Jefferson 75	503269V	Phillips	Jefferson	NE, NW	2
Wolf Run Rd	Jefferson 75A	503281C	Phillips	Jefferson	NE	1
Springfield Circle Green	Jefferson 75A	503268N	Phillips	Jefferson	NE, SE	2
Township 275	T 275	503283R	Phillips	Jefferson	All	4
Liberty Street	Jefferson 61	503265T	Amsterdam	Jefferson	SE, SW	2
Ridgewood Street		503264L	Amsterdam	Jefferson	NE, SE	2
Route 43	Hwy 43	503263E	Amsterdam	Jefferson	NW, SE, SW	3
Priority B List						
Andora Road	Carroll 10	503311S	Patterson	Carroll	SE, SW	2
Appolo Road	Carroll 12	503303A	Mechanicstown	Carroll	SW	1
Satin Road	T 586	503301L	Mechanicstown	Carroll	NW, SW	2
Bay Road	Carroll 27	503295K	Mechanicstown	Carroll	NW,SE, SW	3
Wolf Run Rd (substation)	Jefferson 75	unknown	Phillips	Jefferson	All	4
Township 267	T 267	503262X	Amsterdam	Jefferson	All	4
					TOATL	52

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

March 13, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **Ohi-Rail Crossing Sight Distance Improvements/Wayside Limb & Brush Cutting** and dated March 3, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

Project Briefing
WESTCO Sugar Creek Bridge # 2 Replacement
March 3, 2008

Project Costs		Project Benefits
* ORDC Grant	$250,000	* "Mega Site" Located on Line
* ORDC Loan	$400,000	* 12 WESTCO Rail Users Can Use Bridge
* WESTCO Funds/Design & Misc.	$50,000	* I&O Can Use Bridge as Part of Through Route

INTRODUCTION: The West Central Ohio Port Authority (WESTCO) requests grant funding of $250,000 and loan funding of up to $400,000 to pay the up to $700,000 in costs for the replacement of the WESTCO owned Sugar Creek Bridge (Bridge #222.22) in Fayette County. Staff recommends proceeding with the grant and loan with the suggested terms of the loan being seven years with interest in years one and two being 0%, and interest in years three through seven being 2/3 of the prime rate at the time of Commission approval, or at loan closing, whichever is less. Staff recommends that the final terms and conditions of the loan and the collateral be determined by the Executive Director.

BACKGROUND

Bridge 222.22 a "Twin" of Bridge 224.7: In January of last year, ORDC approved $207,000 in grant funding and up to $513,000 in loan funding to help WESTCO and the Indiana & Ohio Railway (I&ORY) replace the bridge at MP 224.7 of the WESTCO owned Springfield to Washington Court House line. The subject of this March, 2008 funding request, i.e. Bridge 222.22, is virtually a twin of the 224.7 bridge, so much so that some of the same plans and specifications from the 224.7 bridge can be used for the 222.22 bridge. The 224.7 bridge was completed in 2007. The 224.7 bridge came in under the estimated costs so only $308,000 in ORDC loan money was required. WESTCO will be paying off this $308,000 over the next 6+ years.

I&ORY Operations over Sugar Creek Bridge # 222.22: The Sugar Creek Bridge #2 is located at MP 222.2 (about 2.6 miles east of the I -71 bridge over the WESTCO line) on the WESTCO owned Springfield (MP 202.7) to Washington Court House (MP 229.8) rail line. I&ORY is the contract operator of the line. In total, WESTCO owns 94.4 miles of railroad (including sidings, yards, and industrial lead tracks) on lines between Springfield and Washington Court House, Springfield and Bellefontaine, and Springfield and Mechanicsburg. I&ORY is the contract operator for all WESTCO lines. A map of WESTCO owned lines is included as Exhibit "A".

The I&ORY is part of the RailAmerica system of railroads which reaches, among other places, the Detroit area (Canadian National/Illinois Central (CNIC)), Cincinnati (CSX and Norfolk Southern) and Hammond, Indiana (near Chicago) where it connects to western railroads (Union Pacific, BNSF, CNIC, and Canadian Pacific) through the Indiana Harbor Belt terminal railroad. A map of the RailAmerica "Heartland Region" is included as Exhibit "B".

The Sugar Creek Bridge # 2 at MP 222.22 is important to all WESTCO rail users, i.e. six industrial and six agricultural businesses. There have been some changes in I&O traffic patters since the January, 2007 Project Briefing on the replacement of Bridge # 224.7. While overhead traffic on the Washington Court House line has declined from a high of over 13,000 carloads in 2006, to almost none at present, the line is still vital to WESTCO shippers and the I&ORY.

In 2006, most of the rail traffic interchanged with CSX generated by the current WESTCO rail users traveled through WESTCO's Washington Court House gateway. I&ORY had been using its own line from Washington Court House to Cincinnati to access CSX' Queensgate classification yard in Cincinnati with WESTCO traffic. WESTCO rail users generate about 7,000 carloads of rail freight annually and in 2006 much of it traversed the

Sugar Creek bridges. In 2007, however, I&ORY operations via trackage rights on Norfolk Southern between Springfield and Cincinnati are working better than they had in the past. In addition, slower speeds on the Washington Court House route makes the NS trackage rights option more attractive. Therefore, at present, I&ORY routes most of its WESTCO carload traffic to Cincinnati via the NS route and uses the Washington Court House route for unit grain trains. This unit train traffic, however, is significant, accounting for 4,369 cars in 2007, which is vital to agricultural businesses, i.e. Southwest Landmark at South Charleston, Keynes Brothers at Jeffersonville, and Champaign Landmark at Mechanicsburg, Urbana, and West Liberty.

In addition, the Washington Court House route would be used much more by I&ORY when track conditions are improved and train speeds can increase. Both bridges 224.7 and 222.22 are, and will continue to be, part of the critical Washington Court House linkage. The Washington Court House route still provides I&ORY an overflow route when the NS Springfield to Cincinnati line is congested.

Sugar Creek Bridge #2 Conditions: The Sugar Creek Bridge is a 124 foot long wooden structure consisting of 11 sets of wooden bents which support wooden beams (i.e. caps and stringers). In 2007, the annual I&ORY bridge inspection noted that the bridge had developed problems which would need to be addressed as soon as possible. To address the worst of these problems and keep trains running, WESTCO spent $55,000 on the most needed repairs. Problems include multiple piles in the bents, as well as caps and stringers, having failed. I&ORY operates over the bridge under a 5 MPH slow order. WESTCO's consulting engineer projects that the Bridge # 222.22 replacement costs should be comparable to the costs to rebuild Bridge 224.7 last year, i.e. approximately $473,840 for construction and $59,610 for design, $34,589 for construction management and inspection, and $6,760 for miscellaneous costs (legal advertisements, bid documents, etc.), a grand total of $574,799 for all phases of work.

PROJECT DESCRIPTION

WESTCO has started a competitive selection process to select a design engineer to design a new steel bridge over Sugar Creek at MP 222.22. The bridge design will be nearly identical to the Bridge 224.7 design and will be built to meet a Coopers E-80 rating, the standard rating for the rail industry. WESTCO's engineer's estimate for the bridge replacement costs is as follows:

Sugar Creek Bridge #2 Replacement Costs

Design	**$45,000**
Construction	**$620,000***
Construction Inspection	**$35,000**
Total	**$700,000**

*** Includes Contingency**

Because WESTCO has not yet received the project bids, WESTCO requested that ORDC be prepared to provide enough funding to meet the engineer's estimate. The major concern is the cost of the steel beams. In the event that the project does not require this extra funding, ORDC would lower its loan amount for the project. ORDC funds would go toward construction and inspection. WESTCO is paying for the design engineering. Construction is planned for this summer, depending on availability of steel. WESTCO would own the bridge. I&ORY would be responsible for normal maintenance. WESTCO would be responsible for capital improvements. The lifespan of the new bridge would be 75 years.

Although I&ORY is not contributing directly to bridge construction costs, it is still making a significant contribution to the project. To keep project costs down, the Sugar Creek Bridge #2 will be closed to rail traffic for 30 days reducing the amount of work the bridge contractor will need to do by an estimated $20,000 when compared to building a bridge with rail traffic maintained during construction. In order to close the line down,

I&ORY must detour traffic over a less efficient routing incurring extra trackage rights and operating expenses. WESTCO estimates that the detour costs will be about $55,000. Detour costs could be considered as part of total bridge repair costs.

WHY ORDC FUNDING IS NEEDED: ORDC funding is needed for the bridge project to move forward this year and to maintain WESTCO's ability to fund other needed rail projects in upcoming years.

PROJECT BENEFITS

- Maintains effective CSX interchange for WESTCO rail users, especially elevators on all the WESTCO lines which generated 4,369 carloads of unit train traffic in 2007.
- Maintains effective alternative Detroit - Washington Court House - Cincinnati route for non WESTCO I&ORY/RailAmerica traffic, and an alternative Washington Court House to Cincinnati route for WESTCO shippers, if needed.
- The WESTCO line and bridge in question serves a 2,400+ acre site which was one of Ohio's final sites for the recent Honda plant selection process. The Ohio Department of Development is helping to promote the site under its Job Ready Site Program and has taken out an option to acquire 1,000 acres for future industrial development.
- A 5 MPH slow order would be removed.
- A new fertilizer plant is being built along the Springfield to Washington Court House line which will generate 800 to 1,000 new carloads along the line.

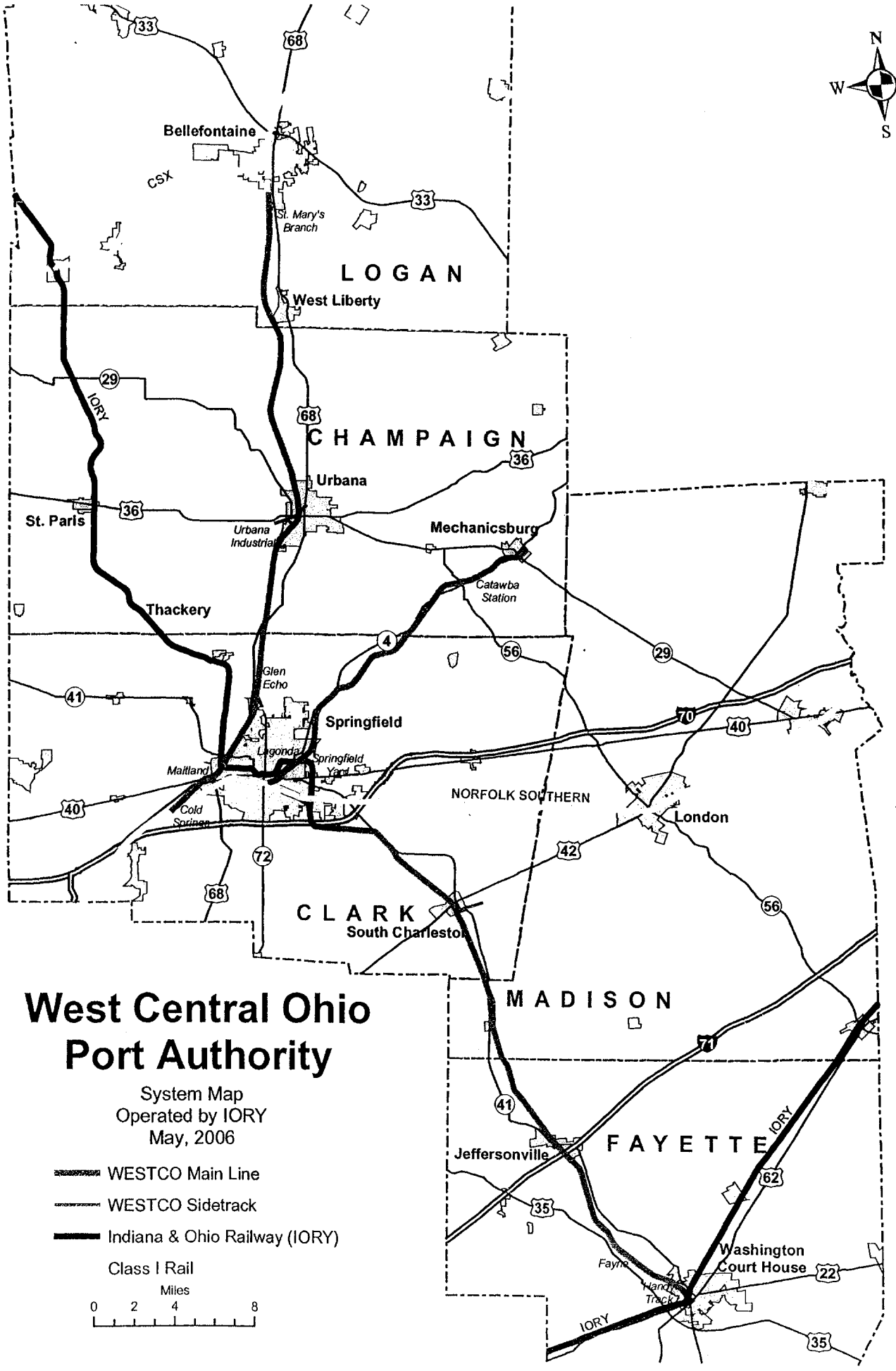
OTHER CONTRIBUTIONS

- WESTCO is providing $50,000 for design engineering and miscellaneous expenses.
- I&ORY is providing in-kind contributions by closing down the line for 30 days to allow more cost - effective construction (an approximately $20,000 savings) and will absorb extra trackage rights charges by rerouting unit train traffic (approximately $55,000 in extra costs).
- WESTCO rail users and I&ORY will provide the funds to repay the up to $400,000 in loan financing ORDC would provide. All WESTCO rail users pay WESTCO a per car charge for every carload of freight they generate. In addition, I&ORY pays WESTCO an annual lease fee, as well as trackage rights fees for overhead traffic. These I&ORY payments are in addition to I&ORY's responsibility to provide normal maintenance on the WESTCO lines

SPECIAL CONTINGENCIES

ORDC would be providing WESTCO with a grant of $250,000 and a loan of up to $400,000. In the event that the Bridge # 222.22 project comes in at a cost lower than projected, ORDC will reduce the amount of its loan financing.

Staff recommends that the Executive Director be empowered by Commissioners to determine the final terms and conditions of the loan and the collateral which will back the loan.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Mechanicsburg
Catawba Station
Thackery
Glen Echo
Springfield
Lagonda
Springfield Yard
Maitland
Cold Springs
NORFOLK SOUTHERN
London
CLARK
South Charleston
MADISON
Jeffersonville
FAYETTE
Washington Court House
Fayne
Handley Track
IORY
West Central Ohio Port Authority
System Map
Operated by IORY
May, 2006
WESTCO Main Line
WESTCO Sidetrack
Indiana & Ohio Railway (IORY)
Class I Rail
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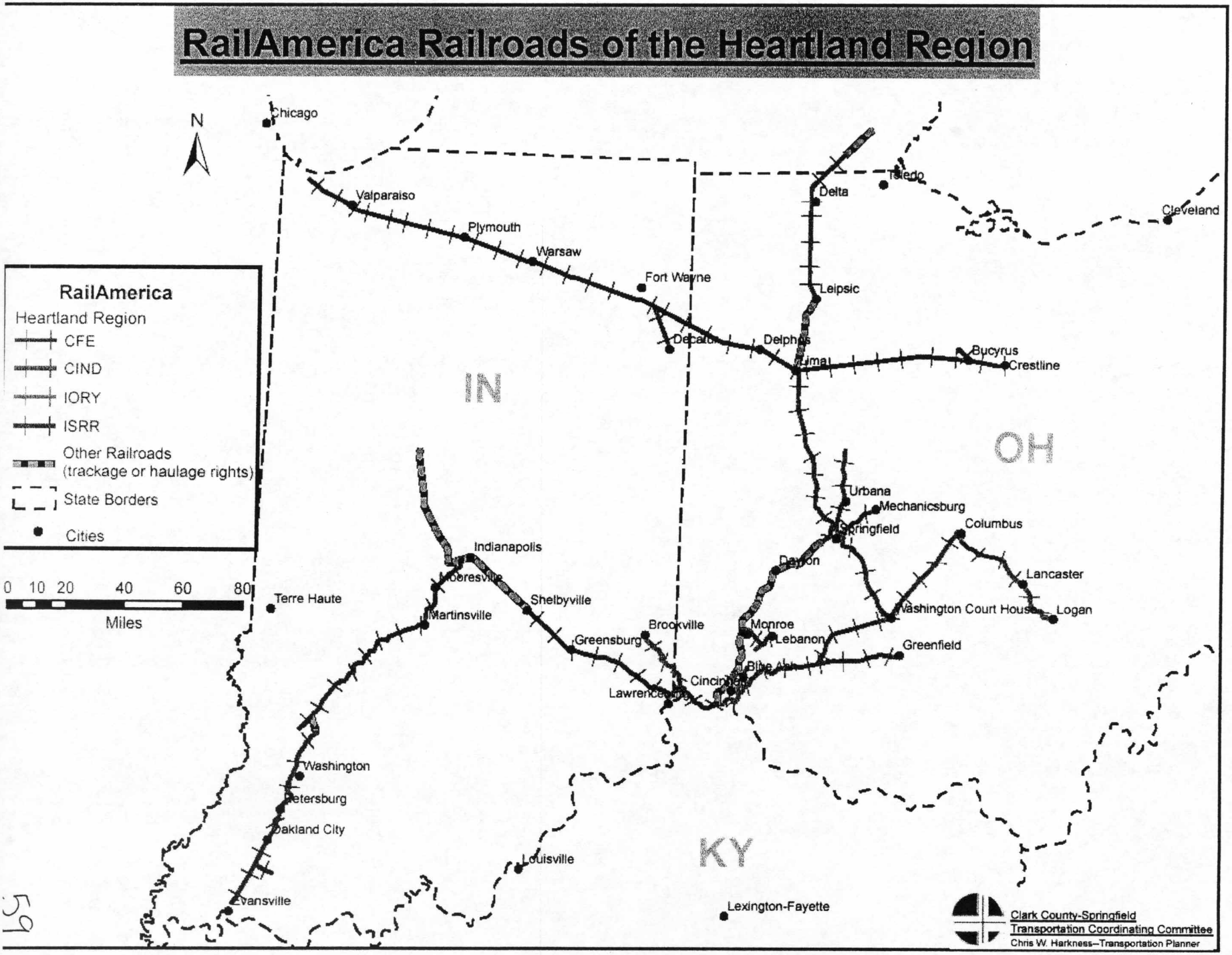
RailAmerica Railroads of the Heartland Region



RESOLUTION 08-04

RE: WEST CENTRAL OHIO PORT AUTHORITY SUGAR CREEK BRIDGE #222.22 REPLACEMENT PROJECT LOAN & GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE WEST CENTRAL OHIO PORT AUTHORITY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the West Central Ohio Port Authority (the "Authority"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Authority; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Authority, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Authority with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Authority, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

Jolene M. Molitoris, Chairwoman	____	yes	_____	no	_____	absent	____	abstained	____ recused
James G. Beasley, P.E., P.S.	____	yes	_____	no	_____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____ recused
Kimberly Gibson for Lt Gov Fisher	____	yes	_____	no	_____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	_____	no	_____	absent	____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____ recused
Daniel Roberts	____	yes	_____	no	_____	absent	____	abstained	____ recused
James Hartung	____	yes	_____	no	_____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved Other action
Motion denied Date 3/13/2008

CERTIFICATE

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 3/13/2008
Jolene M. Molitoris, Chairwoman Date

EXHIBIT A

A grant to the Authority pursuant to Section 4981.032 of the Ohio Revised Code in the amount of up to Two Hundred Fifty Thousand Dollars ($250,000) (the "ORDC Grant") and a loan in an amount of up to Four Hundred Thousand Dollars ($513,000) (the "ORDC Loan") to construct the Rail Service Project as defined herein. The ORDC Grant and ORDC Loan shall be used to construct a steel bridge with a Coopers E-80 rating over Sugar Creek (Bridge #222.22 in Fayette County) at MP 222.22 (just east of the I -71 bridge over the Authority rail line) on the Authority owned Springfield (MP 202.7) to Washington Court House (MP 229.8) rail line. The terms of the ORDC Loan shall be determined by the Executive Director of ORDC.

The ORDC Grant and Loan are subject to the following condition:

1. The Authority must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant and ORDC Loan.

2 The Authority shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

3 If the event the total cost of the Rail Service Project is less than Seven Hundred Thousand Dollars ($700,000), then the amount of the ORDC Loan shall be reduced on a dollar per dollar basis.

APPROVED PROJECT BRIEFING:
YOUNGSTOWN & SOUTHEASTERN RAILROAD REBUILDING OF 4 CROSSINGS

March 4, 2008

Project Costs		Project Benefits
* ORDC Grant	up to $67,000	* Improved Crossings for Public
* Y&SE Investment	up to $67,000	* Improved Operations for Y&SE

INTRODUCTION: The Youngstown & Southeastern Railroad (Y&SE) requests up to $67,000 in ORDC grant funding based on a dollar for dollar matching requirement to help rebuild four crossings in Mahoning and Columbiana Counties.

BACKGROUND

Brief Recent History: In 1996, a company called Railroad Ventures (RRV) acquired the 36 mile long Youngstown to Darlington, Pennsylvania "Youngstown and Southern Railroad" line (Y&S) from its parent company, the Pittsburgh & Lake Erie Railroad, a railroad that was in the process of going out of business and selling off all of its remaining assets. At the time, the line was operated under a lease agreement by the Ohio & Pennsylvania Railroad (OHPA), an Ohio Central affiliate. From 1997 until 2001, the Columbiana County Port Authority (CCPA), in conjunction with ORDC, contested the RRV acquisition of the line; and when the Surface Transportation Board allowed RRV to retain ownership, CCPA fought to acquire the line from RRV to prevent RRV from scrapping the line. While various STB proceedings were going on concerning the abandonment and acquisition of the line from 1997 to March of 2001, the line was out of service, having been embargoed due to rock slides and track conditions by OHPA.

Ultimately, CCPA prevailed at the STB and was allowed to acquire the Y&S line for $1.117 million. The Port Authority hired a new contract operator, the Central Columbiana and Pennsylvania Railroad (CQPA), a newly formed affiliate of an Arkansas railroad, to operate the line. The CQPA commenced operations in March, 2001. ORDC invested $500,000 in GRF grant funds to help with track repairs, and about $2.5 million in crossing repairs for surfaces and warning devices to help the start up operations.

In September, 2003, ORDC approved a $2.1 million loan to the Port Authority to help take care of years of deferred maintenance. While repair work was underway in 2004, the CQPA went bankrupt and ceased operations. OHPA returned as contract operator and completed the track work paid for by the ORDC loan, and invested its own Ohio Central funding to get the track in better condition. In 2006, OHPA, citing the continued need for repair of the line and the insufficient traffic base to pay for all needed repairs, decided to cease service on the Y&S line.

The Total Waste Logistics (TWL) landfill at Negley had been the major customer on the line for several years when OHPA announced its decision to stop service on the Y&S line. Because it needed continued rail service, TWL worked with the Port Authority and ORDC on a plan for TWL to acquire the line and to repay the $2.1 million loan to ORDC. An agreement was worked out in 2006 to this end. TWL is now repaying ORDC the loan taken out by the Port Authority through an affiliate, the Eastern States Railroad. Nearly all arrangements have been worked out for CCPA to pass ownership of the line to Eastern States. The change of ownership should happen very soon. Eastern States, in coordination with CCPA, has retained a new railroad company, the Youngstown & Southeastern Railroad (Y&SE), to operate the line.

Y&SE Operations Today: The Y&SE has been operating the Y&S rail line since December, 2006. The major shipper continues to be TWL which generates the overwhelming majority of the freight with inbound shipments of Construction & Demolition Debris (C&DD). In addition, there are two other rail users, Wester Supply, and Banner Supply, both of which get inbound building materials. TWL employs 28 people, while Wester Supply employs 15 and Banner Supply employs 35. The Y&SE is striving to build up a more diverse traffic base and is

working with former Y&S line shippers and new prospects. In 2007, the line generated 3,685 carloads of freight. New TWL business opportunities should substantially increase C&DD traffic this year.

In 2007, the Y&SE and Eastern States invested over $500,000 in maintenance and capital improvements. In addition, Eastern States has been repaying the ORDC loan on time. The Y&SE and Eastern States have been investing significantly more per mile in line maintenance and repair than they have been making per mile in net revenue. The line is generally in FRA Class I condition.

Y&SE Grade Crossing Issues: There continues to be a need for a wide variety of track improvements on the Y&SE line. To this end, the Y&SE and Eastern States have stated that they plan to invest about $500,000 in the line in 2008. The Y&SE line has a plethora of well traveled crossings along the line. Crossing upgrades have, and continue to be, an issue along the line.

PROJECT DESCRIPTION: Among the worst four crossings on the Y&SE are Meadowbrook (Boardman), Garfield (CR 9, Mahoning County), Eureka (Beaver Twp., Mahoning County) and Riffle Road (Columbiana County near Rodgers). Garfield and Eureka are about 100 feet apart, both at MP 13.3. All four present problems for the traveling public, i.e. rough conditions, as well as for the railroad, i.e. failed ties, light rail, and 5 MPH slow orders. The project is the complete rebuilding of all four crossings from the ground up, including improvements to the approaches. Here is a description of the crossings and work to be performed:

Y&SE Crossing Repairs

Crossing Description	Work to be Performed	Estimated Cost
Meadowbrook Street, MP 4.1, Flashers & Gates, interconnected with Traffic Light, 33 feet wide, asphalt.	Rebuild crossing with heavier rail; concrete surface; renew approaches.	**$54,060**
Garfield Rd, MP 13.3, xbucks, 20 feet wide, asphalt.	Rebuild crossing with heavier rail; full timber surface; renew approaches, south approach becomes north approach for Eureka.	**$27,940**
Eureka Rd. MP 13.3, xbucks, 26 feet wide, asphalt.	Rebuild crossing with heavier rail; full timber surface; renew approaches.	**$27,940**
Riffle Road, MP 22.7, xbucks, 23 feet wide, asphalt	Rebuild crossing with heavier rail; full timber surface; renew approaches.	**$22,440**
ESTIMATED TOTAL COST		**$132,380**

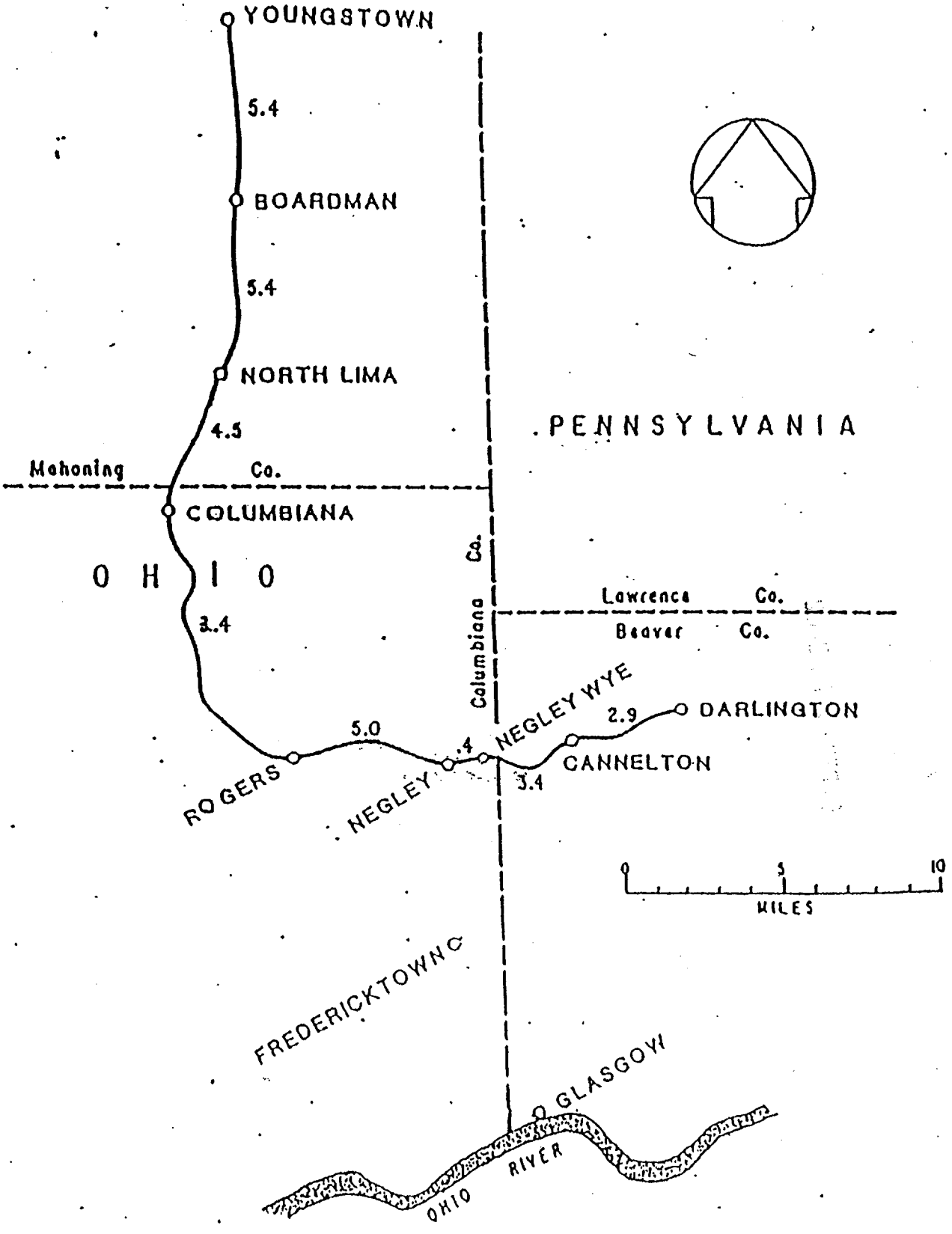
The Y&SE will bid out the work and be responsible for maintaining the crossings after the work is completed. ORDC will match Y&SE funds on a dollar for dollar basis up to $67,000.

WHY ORDC FUNDING IS NEEDED: Without ORDC funding, the crossings will not be improved this year.

PROJECT BENEFITS: 1) Better surfaces for traveling public; 2) Y&SE will eliminate 5 MPH slow orders.

OTHER CONTRIBUTIONS: Y&SE will match ORDC funds dollar for dollar.
w:Y&SECrossings

YOUNGSTOWN & SOUTHERN RAIL LINE



Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

March 13, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **YOUNGSTOWN & SOUTHEASTERN RAILROAD REBUILDING OF 4 CROSSINGS** and dated March 4, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

ACCOMPLISHMENTS REPORT
PLANNING, PROJECT DEVELOPMENT, AND TRACK/FIELD INSPECTIONS
January 4 to March 5, 2008

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

TRACK INSPECTION

- No activity.

ADMINISTRATIVE

- Continued staffing new Commission sub-committee on the Panhandle lease; produced another iteration of the draft 25 year lease;; met with sub-committee, C&OR, and others on lease issues; and various other tasks such as internal meetings and reviews of documents and minutes.
- Helped prepare agendas and briefing packets for March 13, 2008 meeting including 11 project briefings.
- Prepared power points for March meeting.
- Updated contract and contract amendment tracking system to keep better account of various EPA and Taxations clearances and the contracting process.
- Developed grant agreements for projects approved at January meeting.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on 11 March grant recipients.
- Don Damron has taken over as ORDC Webmaster and continues to update our site.

TRAINING

- No activity.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Investigated new spur projects; developed commitment letters for City of Lancaster, US Corrugated spur, Chatam Steel spur at South Point, & Project K in Heath. (US Corrugated committed to Ohio, Project K chose another state, and Chatam is still undecided.)
- Began investigations/continued investigations into new spur projects including Liberty BioFuels at South Charleston and Hydrodec in Canton. Both projects should be on May agenda.
- Got back into Warren Steel Holding project; met with company, W&TRR/Ohio Central, and local officials; wrote ORDC commitment letter for $200,000 in FY 2009 grant funds to support Trumbull County application to State for $750,000 grant to repair W&TRR line for Warren Steel traffic. Mill is up and running in Warren!
- Continued working with W&LE, Carroll County, rail line shippers, and others on getting the Carrollton Branch repaired. Track repair project with $250,000 in ORDC grant funding is on March agenda.

- Continued investigation of Buckeye Industrial Mining transload on Columbiana County Port Authority property in Wellsville; project should be on May agenda.
- Started working with Clermont County officials and NS concerning the future of the Cincinnati to Portsmouth "Peavine" line.
- Continued working with Akron Metro (owner of line), US Rail (current proposed operator of the line) and NS (interchange partner) on potential reactivation of the Cuyahoga Falls to Hudson line. A basic start up could be to serve one steel processor in Hudson via a connection to NS in Hudson.
- Continued assisting with CSX North Baltimore "Block Swap" Yard project.

PASSENGER PLANNING

Ohio Hub

- Continued working on refining the scope of work for the proposed Programmatic Environmental Impact Study (PEIS) for various corridors.
- Continued working on efforts to obtain federal earmarks for the PEIS. Don Damron did outstanding work in breaking earmark requests into 4 parts and working long hours to get earmark requests for the 4 parts to various Congressional offices.
- Provided extensive back up support for ORDC efforts to obtain new General Assembly resolutions in support of Ohio Hub.
- Provided preparations for meeting with Mayor Coleman of Columbus on Ohio Hub as well as support for follow ups with Mayor.
- Continued work and coordination with other states and railroads on Ohio Hub Study.
- Continued with various meetings and presentations on Ohio Hub plan including Toledo and Cincinnati presentations.

Amtrak

- No activity; waiting for Governor's letter to Amtrak on 2C and 3C service.

Other Passenger Initiatives

- Continued coordination with the MWRRI study effort by participating in meetings and calls.
- Continued investigating passenger station development issues.
- Continued supporting local efforts to develop passenger service, particularly in west Cleveland.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.

Excursion Services:

- No activity.

OTHER PLANNING INITIATIVES

- Continued helping to develop a basic inventory of Ohio rail services and an economic development "Turn Around Ohio" rail project development survey/action plan by detailing information needs and developing draft shipper/logistics survey.

MISCELLANEOUS

- ***Liability Task Force:*** Participating in ORDC Sub-Committee on liability issues; attended meetings; developed detailed Request for Proposal document to use to ascertain the benefits of addressing the liability issue for excursion rail operators as well as for rails with trails purposes.
- ***Diesel Retrofit:*** Continued coordinating with ODOD, OEPA, and ODOT on a new $20 million "Diesel Emissions Reduction Grant – Diesel Retrofit" program being run by ODOD. Developed ORDC – Railroad "Public-Private Partnership" agreements; worked with several railroads to help them get applications into ODOD.
- ***Three Steel Coils Per Truck Issue:*** At request of ODOT, developed a spread sheet showing which steel companies who have been requesting multiple coils per truck are served by rail.

SAFETY

- Revisited possible crossing closures in Warren with Mayor.
- Coordinating with Safety Section on possible crossing safety audit for Ohi-Rail line.

WPDOCS/AccomplishmentsCommission